

Rolling Plan for the Kingdom of Bhutan

Basic Policy of Assistance (Major Goal)	Assistance for self-reliant and sustainable nation-building with a good balance of rural and urban areas
---	--

Priority Area 1 (Medium Goal)	Sustainable economic growth
-------------------------------	-----------------------------

	<p>[Current Situation and Challenges]</p> <p>Bhutan has had sound economic growth at the macro level, with an average GDP growth rate of about 4.2% during 2016–2020. The Bhutanese government aims to create jobs and reduce poverty through economic diversification in its 12th Five-Year Plan (2018–2023). It is essential for Bhutan's economic development to achieve growth with a good balance between urban and rural areas. In order to achieve this, it is necessary to improve agricultural productivity and income, to facilitate the inland movement of people and goods, and to enhance access of the people in rural areas to social services through development of basic social infrastructure.</p> <p>Although the percentage of agricultural workforce in the employed population decreased to 60% in 2017 from 75% in 1999, agriculture is still a key industry in Bhutan. However, agricultural productivity and income per labor and per unit area is low (rice yield of around 2.3 t/ha is at a lower level as compared to other South Asia countries) for the following reasons:</p> <ul style="list-style-type: none"> (i) arable land is limited because most of the country is in mountainous area (arable land is only 2.9% of the total national land and it is difficult to expand further), and average farmland per household is small. (ii) farm mechanization and irrigation facilities are underdeveloped. (iii) agricultural products are mainly low value-added like rice and maize and mostly meant for self-consumption. <p>The poverty ratio is higher especially in the Southern and the Eastern regions. About 90% of the total poverty population live in rural areas, and income disparity is growing between urban and rural areas. Rural areas have been declining due to avoidance of agriculture by youth and outflow of population from rural areas to urban areas.</p> <p>Although roads are the main mode of transportation and traffic, the progress of road construction is slow. The network of main roads consists of only five Primary National Highways (PNHs), PNH No. 1 running east-west of the country and PNH No.2 to 5 running southward from PNH No.1 to the border with India. Even in 2022, there was no motorable road connection in 5 gewogs (counties) out of the total 205 gewogs. The Bhutanese Government has been working to expand and rehabilitate the road network, and to maintain, repair and reconstruct bridges. However, due to absolute shortage of roads and the geographical characteristics of Bhutan as a mountainous country, which require a high level of knowledge and experience in the development of road networks cause difficulties for people in accessing various social services and markets and in economic activities such as timely shipping of agriculture produce to markets, impeding the development of Bhutan significantly.</p>	<p>[Strategy]</p> <p>Japan provides assistance for increasing productivity in agricultural sector which is a key industry in Bhutan through farm mechanization, and for improving agricultural income through introduction and extension of high value-added horticulture crops, while taking into account the need of reducing poverty in eastern and southern areas, where the poverty ratio is higher.</p> <p>From the point of view of increasing food supply, Japan provides assistance for developing irrigation systems, aiming to increase the production of main crops such as rice and vegetables with low self-sufficiency.</p> <p>Japan continues to provide assistance for developing social infrastructure which is insufficient in rural areas in particular, aiming at a well-balanced development between urban and rural areas. Also, Japan provides assistance for improving safety and reliability of road network which is vulnerable to landslides in mountain areas, and for strengthening capacity of the Bhutanese Government of design, construction and maintenance. Moreover, Japan provides assistance for strengthening systems to provide various administrative services that respond to situations and needs in rural areas, taking into account the democratization and decentralization promoted by the Bhutanese Government.</p> <p>Japan provides assistance for reducing disparities between urban and rural areas, by increasing agricultural income and stabilizing economic infrastructure especially in rural areas through the cooperation as mentioned above.</p>
--	--	---

Development Issue1-1 (Minor Goal) Improvement of Standard of Living in Rural Areas

Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	SDGs	note
				Before 2022	JFY 2023	JFY 2024	JFY 2025	JFY 2026	JFY 2027			
Agriculture and Rural Development Program	To revitalize rural areas through improvement in productivity and income in agricultural sector, Japan provides assistance for reducing heavy work load and labour inputs as well as production costs by promoting farm mechanization. Also, Japan provides assistance for introduction and extension of high value-added cashgenerating horticulture crops, and for developing irrigation systems to increase food production.	Integrated Temperate Fruit Crops Promotion Project	TCP	██████████	██████████	██████████	██████████	██████████	██████████	3.90	1, 2, 8	
		The Project for Improvement of Farm Machinery for Hiring Services of Tillage (Phase 2)	GA	██████████	██████████					4.27	1, 2	
		Project for Capacity Enhancement on Irrigation Planning, Design, and Construction Management	TCP	██████████	██████████	██████████	██████████	██████████		4.20	2	
		Regional Agribusiness Promotion by Introduction of Market-Oriented Agriculture and Value Chain Model	CTR	██████████	██████████						1, 2	
		Agriculture Studies Networks for Food Security (Agri-net)	CTR	██████████	██████████						2	
		SDGs Business Model Formulation Survey with the Private Sector for Organic Shitake Mushroom Cultivation with Raw Wood by Low-Cost Business	SDGs BMFS	██████████	██████████						1, 8, 10	
		JICA Partnership Program in the Field of Agriculture and Rural Development	JJP	██████████	██████████	██████████	██████████				1, 8, 10	
		JICA Volunteers in the Field of Agriculture and Rural Development	JOCV	██████████	██████████	██████████					1, 2	
Rural Basic Infrastructure Development Program	Japan provides assistance for facilitating movement of people and goods and improving access to various social services through improvement in connectivity within rural areas as well as between urban and rural areas by developing infrastructure such as roads and bridges. Also, Japan provides assistance for promoting the development of rural areas through strengthening of the socio-economic foundation by developing basic social infrastructure in rural areas.	Project for the Establishment of Human Resource Development System in Construction Sector	TCP		██████████	██████████	██████████	██████████	██████████	4.53	9	
		Project for Bridge Reconstruction in Eastern Area	GA	██████████	██████████					21.56	9	
		Capacity Development in Occupational Health Safety and Environment (OSHE) for Construction Firms and Professionals	CTR	██████████	██████████	██████████					9	
		Core Human Resource Development for Road Asset Management technology (2021-2023)	CTR	██████████	██████████	██████████					9	
		Grant Aid for Grassroots Human Security Projects in the Field of Security	GGP	██████████							0.09	11

Development Issue1-2 (Minor Goal) Industry Development and Employment Creation	[Background and Current Situation] The influx of young people from rural to urban areas and youth unemployment in urban areas are becoming apparent in Bhutan in recent years. While the national unemployment rate is 4.8% in 2021, youth unemployment rate in urban area is high (28.6% as of 2022). This situation is seen as a result of a mismatch between college-educated workers and the labor market. Therefore, employment creation for youth is an important issue in the urban areas. To create employment opportunities mainly for the youth and to maintain and achieve sustainable economic growth hereafter, it is essential to promote industries based on private sector. While the hydropower sector exporting electricity to India is expected to continue to perform the role of the driving force of economic growth, the promotion of other industries including IT industry is also required.			[Strategy] Contributing to solving the current high youth unemployment rate issue and to realizing sustainable economic growth in Bhutan, Japan provides assistance for promoting private industries and the communications technologies as a basis of the private sector development. Also, Japan will explore opportunities for providing assistance in the creation of employment and economic diversification through the development of hydropower and the industrial promotion by utilizing rural resources.										
	Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	SDGs	note	
					Before 2022	JFY 2023	JFY 2024	JFY 2025	JFY 2026	JFY 2027				
	Industrial Foundation Development Program	Japan provides assistance for creating environment including infrastructure and industrial human resource development to attract investment, with the aim of promoting industries that contribute to economic growth. In addition, attention will be given to support for the creation of employment and the revitalization of rural areas by taking advantage of tourism resources in Bhutan.	Energy Policy	CTR	■	■							7	
			Project for Promotion of Technology Education and Diffusion through Digital Fabrication Laboratory (Fab-Lab)	TCP	■	■						2.30	1, 4	
Development and promotion of Drone usage in Bhutan			TCP		▨	▨	▨	▨	▨	▨		2.56	9	
Hydropower Technical Advisor			EXP		■	■	■						7	

Priority Area 2 (Medium Goal)	Reduction of vulnerability											
Development Issue 2-1 (Minor Goal) Countermeasures for Environmental Issues and Climate Change	<p>[Background and Current Situation] While Bhutan has been striving to protect its forests and environment since the 1960s and is blessed with abundant nature and one of the greatest biodiversity in the world, it has become a challenge to cope with natural disasters such as earthquakes, glacial lake outbursts floods and cyclones in the Himalayan region due to the effects of global climate change. The impact of the natural environment and disasters on people, such as landslides and floods in the rainy season and snowfall in the winter, is also significant, and although the absolute numbers are small, the ratio of affected people and victims to the population is significantly higher than in South-East Asian countries, where wind and flood damage is considered to be more common. Therefore, it is essential to improve response capabilities for these disasters. Development of industrial infrastructure, migration of population and changes in lifestyle are likely to strongly affect the natural / urban environment, because Bhutan is a landlocked country surrounded by steep mountains, and the scale of the national land and the economy are limited. Therefore, it is imperative to pay due attention to environmental impacts in developing national parks and special economic zones. It is also necessary to address urban environmental problems such as treatment of solid waste and waste water caused by concentration of population in urban areas such as Thimphu.</p>					<p>[Strategy] Japan will explore opportunities for providing assistance for urban environmental problems such as solid waste treatment, wastewater treatment and traffic congestion, addressing the degradation of urban environment stemmed from economic development and rapid migration to urban areas, as an effort in the environmental area which is one of the prioritized policies of the Bhutanese Government. Also, Japan provides assistance for incorporating disaster risk management perspective in various development works of Bhutan through disaster countermeasures against earthquakes and cyclones, because it is possible to apply Japan's knowledge of comprehensive measures including flash flood management and land use, as there are many similarities in natural conditions between Japan and Bhutan such as steep terrains in mountainous countries and heavy rain falls. Japan will also note "Kunming-Montreal Global Biodiversity Framework" adopted in December 2022.</p>						
	Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	SDGs
Urban Environment Improvement Program	Japan provides assistance for tackling urban environmental problems such as treatment of solid waste and wastewater, and traffic congestion and exhaust gas, stemmed from industrial development, migration of population among cities, and changes in lifestyle.	Project for Improving Solid Waste Management	GA	█	█					5.09	11	
		Project for the Formulation of Southern Central Regional Plan	TCDP	█	█					2.70	10, 11	
		The Project for Promotion of Utilization of Geospatial Information through Development of National Spatial Data Infrastructure	TCP	█	█					2.50	9, 11	
		JICA Volunteers in the Field of Urban Development and Waste Management	JOCV	█	█	█					11	
Climate Change Countermeasure and Disaster Risk Management Program	Japan provides assistance for developing disaster prevention measures against earthquake, floods and cyclones.	The Project for the development of Digital Topographic Map	GA	█	█	█	█	█	█	8.80	9, 11, 13	
		The Project For Evaluation and Mitigation of Seismic Risk for Composit Masonry Buildings in Bhutan (SATREPS)	STC	█	█					3.00	9, 11	
		Project for Capacity Development on Countermeasures of Slope Disaster on Roads in Bhutan	TCP	█	█	█				4.70	9, 13	
		Project for Capacity Enhancement of Meteorological Observation, Forecasting and Flood Warning, for Disaster Preparedness and Response in Thimphu and Paro River Basins	TCP	█	█	█				2.70	1, 11, 13	
		SDGs Business Verification Survey with the Private Sector for Road-Slide Slope Disasters Countermeasure Technologies and Methods in the Kingdom of Bhutan	SDGs BVS	█	█						9, 11	
		JICA Volunteers in the Field of Climate Change and Disaster Management	JOCV	█	█	█					11	

Development Issue 2-2 (Minor Goal) Improvement of Social Services	[Background and Current Situation] Regarding the healthcare environment in Bhutan, while the infant mortality rate and maternal mortality rate have improved due to the Royal Government of Bhutan's efforts to improve services, non-communicable diseases and public health crisis response are becoming increasingly important. Also, there is a serious shortage of doctors in rural areas, with less than three doctors being available in 10 out of 20 prefectures. Therefore, there is a need to enhance the healthcare human resources and further improve the healthcare environment.			[Strategy] Japan provides assistance for Bhutan in overcoming the vulnerabilities of its healthcare environment through the development of healthcare facilities and equipment and human resource development, while also utilizing digital technology.										
	Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	SDGs	note	
					Before 2022	JFY 2023	JFY 2023	JFY 2025	JFY 2026	JFY 2027				
	Health and Medical Systems Strengthening Program	Japan provides assistance for Bhutanese Government's efforts in the health and medical sectors, including the strengthening of the health and medical systems.	The Project for Construction of Royal Centre for Infectious Diseases	GA	██████████	██████████	██████████	██████████	██████████	██████████	██████████	29.94	3	
			The Project for Strengthening Health Care Services in Eastern Area	GA	██████████	██████████	██████████	██████████	██████████	██████████	██████████	5.35	3	
			The project for institutional capacity building for eliminating Helicobacter pylori related death	STC	██████████	██████████	██████████	██████████	██████████	██████████	██████████	3.64	3	
			The Project for Strengthening Quality of Medical Education	TCP	██████████	██████████	██████████	██████████	██████████	██████████	██████████	4.67	3	
			Project for Strengthening Maternal and Child Health by Telemedicine System Establishment	TCP	██████████	██████████	██████████	██████████	██████████	██████████	██████████		3	
			Project for Strengthening Government Capacity for Using Digital Technology and Data	TCP	██████████	██████████	██████████	██████████	██████████	██████████	██████████	7.00	3	
JICA Partnership Program in the Field of Health and Medical Service			JPP	██████████	██████████	██████████	██████████	██████████	██████████	██████████		3		
JICA Volunteers in the Field of Health and Medical Service			JOCV	██████████	██████████	██████████	██████████	██████████	██████████	██████████		3		

Legend: [PS] = Preparatory Survey, [DD] = Detailed Design, [TCP] = Technical Cooperation Project, [TCDP] = Technical Cooperation for Development Planning, [EXP] = Expert, [EQ] = Equipment, [CTR] = Country-focused Training, [TR] = Issue-based Training / Training Program for Young Leaders, [JOCV] = Japan Overseas Cooperation Volunteers, [TEXP] = Third-country Expert, [TTR] = Third-country Training, [ICT] = In-Country Training, [STC] = Science and Technology Cooperation on Global Issues, [JPP] = JICA Partnership Program, [xx-TA] = Technical Assistance implemented by organizations other than MOFA and JICA, [PCP-TC] = Private Companies Proposed-Technical Cooperation, [GA] = Grant Aid, [FA]=Food Aid, [CGA]=Cultural Grant Assistance, [GCGP]=Grant Assistance for Cultural Grassroots Projects, [EGA]=Emergency Grant Aid, [GANP]=Grant Aid for Japanese NGOs Projects, [GGP]=Grant Aid for Grassroots Human Security Projects, [LA] = Loan Aid (ODA Loan), [DCS] = Data collection Survey, [ML] = Multilateral Cooperation, [SME PPS]=Small and Medium-Sized Enterprise (SME) Partnership Promotion Survey, [SDGs BMFS]=SDGs Business Model Formulation Survey with the Private Sector, [SDGs BVS]=SDGs Business Verification Survey with the Private Sector and SDGs Business Validation Survey, [SDGs BNCS]=SDGs Business Needs Confirmation Survey, Solid Line [—] = Schedule, Dash Line [- - - -] = Tentative Schedule

[SDGs Goals Targets]: 1 No Poverty 2 Zero Hunger, 3 Good Health and Well-Being, 4 Quality Education, 5 Gender Equality, 6 Clean Water and Sanitation, 7 Affordable and Clean Energy, 8 Decent Work and Economic Growth, 9 Industry, Innovation and Infrastructure, 10 Reduced Inequalities, 11 Sustainable Cities and Communities, 12 Responsible Consumption and Production, 13 Climate Action, 14 Life Below Water, 15 Life on Land, 16 Peace, Justice and Strong Institutions, 17 Partnerships for the Goals

[Outline of SDGs]: https://www.mofa.go.jp/policy/oda/sdgs/index.html#about_sdgs