Joint Evaluation of Danish-Bhutanese Country Programme 2000-09

Thematic Paper on Decentralisation and Local Empowerment

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Abbreviations and acronyms

BTN  Bhutanese Ngultrum (the national currency)
CDG  Constituency Development Grant
DLG  Department of Local Government
DOE  Decentralisation Outcome Evaluation
DSP  Decentralisation Support Programme
ECB  Election Commission of Bhutan
FYP  Five-Year Plan
GAO  Gewog Administrative Officer
GDP  Gross Domestic Product
GG  Good Governance
GG/PARP  Good Governance/Public Administration Reform Programme
GGSP  Good Governance Support Programme
GNH  Gross National Happiness
GNHC  Gross National Happiness Commission
HR  Human Resource
HRD  Human Resource Development
ICBP  Integrated Capacity Building Plan
JAR  Joint Annual Review
LGA  Local Government Act
LGSP  Local Governance Support Programme
LOD  Liaison Office of Denmark
MoHCA  Ministry of Home & Cultural Affairs
NFE  Non-Formal Education
RAF  Resource Allocation Framework
RCSC  Royal Civil Service Commission
RGoB  Royal Government of Bhutan
RIM  Royal Institute of Management
TA  Technical Assistance

Bhutanese terms

Chathrim  Act or statute
Chimi  Representative of village at National Assembly (up until 2008)
Dzongdag  District administrator
Dzongkhag  District (there are 20 in Bhutan)
Dzongkhag Yargye Tshogdu (DYT) or Dzongkhag Tshogdu (DT)  District Development Committee
Gewog  Administrative block (there are 205 in Bhutan)
Gewog Yargye Tshogdu (GYT) or Gewog Tshogde (GT)  Gewog Development Committee
Gup  Elected representative at gewog level
Maangmi  Deputy to gup
Tshogpa  Representative of a village
1. Introduction

This paper has been prepared as part of the Joint Evaluation of the Danish-Bhutanese Cooperation Programme, 2000-09. The process of decentralisation has been an important aspect of the overall governance reforms which have taken place in Bhutan, and one which Denmark has supported, particularly in recent years, through its funding of the Local Government Support Programme, a joint programme with the Royal Government of Bhutan and a number of other development partners. Two of the thematic papers prepared address aspects of decentralisation. This paper looks at local empowerment, and a second paper looks in more depth at local service delivery, an aspect which is touched on in this overview paper.

Until the 1980s, Bhutan was governed in a very traditional, rather paternalistic manner, with authority residing with the King, and a population which, for the most part, regarded itself as being governed with their best interests at heart, by a “benevolent benefactor”\(^1\). There seemed to be little pressure from most communities to question authority, or the status quo.

Over the period from 1981, when the Dzongkhag Yargye Tshogdue (DYT in the future to be named DT)\(^2\) was established, through the establishment of the Gewog Yargye Tshogdues (GYT in the future to be GT) and then the election of gups in 2002 by eligible adults, there has been a process of increased decentralisation. However, what is not so clear is the extent to which this process has led to local empowerment. In other words, has the decentralisation process led to real changes in the control that local communities have over the way their lives are governed?

To answer this question, it is necessary to look at the different elements required to create an enabling environment for local empowerment.

In this paper, the evaluation team argues that there are six elements necessary to create an enabling environment:

- An appropriate legal framework, which sets out clearly the roles of local structures, and identifies individuals’ responsibilities, whether elected or appointed officials;
- Decentralised representation, whereby individuals and communities have a say either directly or indirectly through elected officials, in local level decision-making bodies;
- Financial structures which ensure that adequate resources are available to local bodies to carry out their responsibilities;
- Administrative support, so that appropriate specialised skills, such as accounting and administrative experience, are available at local levels;
- Appropriate training for elected representatives to enable them to carry out their roles; and
- Information dissemination and sensitisation of the population, so that there is a general understanding of individual and community rights and responsibilities, and the channels whereby these can be exercised.

These six elements are examined to see the extent to which these are already in place, and what might be necessary to fill any gaps. Where gaps are identified, recommendations to

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2 Local committee at dzongkhag level.
address these are provided. Some of these are specific to continuing Danish support, whereas others are addressed to the responsible government organization.

Danida has supported aspects of governance over the period of the evaluation, but has only engaged directly with local authorities since 2008 (under the Good Governance/Public Administration Reform Programme II, GG/PARP II Danida funded capacity building in the Ministry of Home and Cultural Affairs, MoHCA, which was linked to decentralisation).

Danida currently funds the Local Governance Support Programme (LGSP) in cooperation with other development partners, including the UN and the RGoB. The LGSP has as its objectives:

- Assist to strengthen and widen the block grant mechanism and provide budget support to capitalize the gewog capital grants. The resources will not be targeted to certain gewogs but rather be pooled and become fungible with RGoB resources;
- Further improve the overall public expenditure management procedures of planning, programming, budgeting, procurement, implementation, reporting, asset management, and monitoring and evaluation;
- Further improve overall capacity development and training for local governments;
- Continue to build capacity in accountability and transparency;
- Develop and pilot a block grant facility in at least two districts;
- Help to enhance policy support for local government; and
- Effective models for integrated public service and information delivery at local levels strengthening public expenditure management.

Danida currently provides 80% of its funding as funding for the block grant mechanism and the rest goes towards general support to the programme. It provides over 60% of the external funding for the LGSP. The LOD sits on the LGSP Steering Committee, and as such has a say in the overall management and direction of the programme.

Danida also provides sector support to the health and education sectors, both of which have an important role to play in the provision of services at local level.

This thematic paper puts the work being undertaken into a broader context and examines how well support to decentralisation is addressing local empowerment. It should be noted that there is a very limited literature addressing local power relations in Bhutan, and the time frame of the evaluation meant that this important element could not be explored in any depth. This is an area which ought to be addressed in any future work.

2. Decentralisation in Bhutan: the Legal Framework

As stated above, Bhutan has been going through a process of significant change in governance towards a more democratic process, at the same time as a process of de-concentration and devolution of authority to the local level. The roles and responsibilities of local governments were first set out in the GYT and DYT Chathrims of 2002, and then further detailed in the Constitution.

Under Article 22 of the Constitution, “Power and authority shall be decentralized and devolved to elected Local Governments to facilitate the direct participation of the people in the development and management of their own social, economic and environmental well-being.” Local governments shall have as their objectives to:
(a) Provide democratic and accountable government for local communities;
(b) Ensure the provision of services to communities in a sustainable manner;
(c) Encourage the involvement of communities and community organizations in matters of local governance; and
(d) Discharge any other responsibilities as may be prescribed by law made by Parliament.

The Constitution also states that Local Governments shall be:

(a) Supported by the Government in the development of administrative, technical and managerial capacities and structures which are responsive, transparent, and accountable;
(b) Entitled to levy, collect, and appropriate taxes, duties, tolls, and fees in accordance with such procedure and subject to limitations as may be provided for by Parliament by law;
(c) Entitled to adequate financial resources from the Government in the form of annual grants;
(d) Allocated a proportion of national revenue to ensure self-reliant and self-sustaining units of local self-government;
(e) Supported by the Government to promote holistic and integrated area-based development planning; and
(f) Entitled to own assets and incur liabilities by borrowing on their own account subject to such limitations as may be provided for by Parliament by law.

Good Governance Plus in 2005 identified the need for a Local Government Act (LGA) to address the implications of the Constitution at the level of local government. This would include the mandate of local government, the roles of the DYT, GYT and dzongdags and the lines of accountability. Until the Act was passed, it would be important that dzongdags be in a position to exercise administrative control over sectoral staff posted at the dzongkhag level. The Department of Local Government (DLG) under the Ministry of Home and Cultural Affairs (MoHCA) should continue to perform its mandate to strengthen the administrative function at local levels.

The LGA, although dated 2007, was not finally passed until late 2009. This has had a delaying effect on the implementation of some of the envisaged milestones in furthering local governance, not least in terms of the postponement of local elections until the Act was passed into law. The LGA incorporates and updates the DYT and GYT Chathrim, and the Bhutan Municipal Act of 1999.

The LGA lays down the qualifications for standing for election as a member of local government. These include a minimum age of 25, and functional literacy. Persons who work as civil servants, or who are members of political parties will not be eligible to stand for election at local level. Neither will those who have a criminal record, or been dismissed from public service, or married a person who is not a Bhutanese citizen.

Sessions of the DYT and GYT should be open to all members of the constituency, except for closed sessions, and can speak at the last session of the calendar year should they so wish. Local governments should publish an annual report, which contains a list of revenues received and contracts tendered. There should be a public notice board on which will be displayed the agenda for DYT and GYT meetings, annual work plans and budgets, and calls for tenders.
The LGA also stipulates that Local Government should be supported by an office headed by a Secretary who should provide administrative and secretarial support, including the keeping of records. MoHCA will continue to be the agency responsible for overseeing and monitoring Local Government, including the implementation of the LGA.

The roles and mandates of the different levels of authority are laid out in detail within the Act, as are appropriate codes of conduct for elected members.

In principle, the LGA makes adequate provision for democratic citizen participation in local government, through open meetings and provision of public information. However it is difficult to assess how effective implementation of the Act has been, because of the delay in its final passing\(^3\). However, it is the impression of the team, based on field work at the end of 2009, that few gewogs at present comply with the requirements for free availability of information on public notice boards, or indeed through publication of annual reports. It is likely that some gewogs would struggle to produce such an annual report at present.

It will be important that MoHCA takes its role in monitoring the LGA seriously to ensure that local governments fully comply with these elements which enhance local empowerment, and ensure that an environment of transparency and accountability is established. Local governments are particularly susceptible to the development of cliques, and closed networks. The Act has provisions to prevent this, but these must be seen to be working.

In 2007, a task force identified the implications of the Constitution and the LGA for local governments. These were published in the Assignment of Functional and Financial Responsibilities to Local Governments document, which sets out the roles of gewog, dzongkhag and central government with respect to human resource services, administrative services, information services and sector specific services.

Recommendation: MoHCA should be vigilant in monitoring the LGA, and in particular the capacity of gewogs to comply with the requirements for free availability of information. The LGSP Steering Committee should be proactive in requesting progress reports on this.

3. Political representation

Politically, there has been consolidation of local democratisation. The DYT and GYT Acts were passed in 2002, and following this gups were elected and appointed as chairpersons of GYT's. It is estimated that 34% of the eligible voters participated in the 2002 elections. When the 2005 elections came around, estimates are that this had increased to 40%\(^4\). There should have been another election in 2008, but this was delayed until the Local Government Act was passed. It is expected that local elections will take place in 2010. Until then the gups elected in 2005 have had their terms of office renewed. In 2007 and 2008 there were national elections to the National Council and the National Assembly. There was much higher voter turn out to these elections, 55% and 79% respectively. This may in part be a result of a high-profile lead-up to the elections, including two mock elections, to inform and sensitise voters.

\(^3\) The evaluation team understands that one important issue which caused delay was over the issue of whether each dzongkhag should contain a municipality, or whether a municipality should be defined by size of population.

\(^4\) UNDP, Decentralisation Outcome Evaluation Report, Bhutan, 2006
Empowerment comes not only from the ability to elect representatives at both local and national level, but also from the perception of these representatives’ responsiveness to their electorate, and the extent to which they are trusted. The GNH survey of 2007 asked respondents to rate the performance of their local leaders. Gups and tshogpas were rated more highly than dzongdags, which may well be a reflection of the level of interaction. The survey suggests that people do not go very often to the dzongkhag, and therefore rarely know the dzongdag. Gups were rated better than tshogpas at understanding local problems, and resolving local disputes.

The gups elected in 2005 appear to be younger and more educated than those of 2002, who mostly came from within the existing systems. This trend is likely to continue with the introduction of literacy requirements for the forthcoming local elections. However, it is not clear from both the evidence of the evaluation field work, and the 2007 survey that reading and writing skills were seen as necessary for gups to perform well.

In the field visits made by the team in 2009, focus group meetings were asked about their satisfaction with their elected MPs. The responses were mixed. Where MPs had a high profile position in government, such as a Minister, constituents were generally pleased. However others complained that their MPs had hardly visited them since the election. All were very aware of the Constituency Development Grants, which amount to 2 million BTN for each constituency. How these are allocated is likely to be key in the assessment of MPs’ performance. CDGs can be allocated to areas which have not been included in the 10th FYP, and are therefore of much interest at local level. All participants in the focus group meetings were clear that if their MPs did not seem to be promoting the constituency interests, then they would be unlikely to be returned at the next election.

Local elections are supposed to be carried out without the interference of political parties. Indeed it is not permitted for candidates to belong to political parties. It will be interesting to see how easy it will be for candidates to comply with these rules, given that many active potential candidates may have been involved with political parties as part of the national elections two years ago. It would be useful to conduct a survey after the local elections, to understand better who have been standing for election, and how the requirements for candidates have either promoted or limited the election of effective gups.

One other area which will be of interest is the number of women who put themselves forward for election. Although women participate in local meetings, this is usually in quite a passive manner. Cultural practices seem to mitigate against women becoming active in local politics. The first woman gup was elected in 2005, and in 2006 only 4% of elected representatives (gups, maangmis, chimis and tshogpas) were women. The Election Commission is running a sensitisation campaign to encourage women to stand for election in 2010. If it is successful, it could be the basis for other work to support more active participation of women in local governance.

Recommendation: The LGSP Steering Committee should encourage the Election Commission of Bhutan to conduct a post-election survey to assess the diversity and effectiveness of the new gups.

Recommendation: The LGSP should encourage the Election Commission to undertake an assessment of the effectiveness of its sensitisation campaign to encourage more women to stand for election, as a basis for further work to encourage greater participation of women in local governance.
4. **Functional decentralisation**

*Functional* decentralisation addresses issues of regulation and planning. There have been some moves towards greater regulatory decentralisation, for example in terms of environmental clearances for projects. However, other environmental licences, including forestry licences, have to be dealt with at regional level. Nonetheless, the presence of District Environment Officers (see below) has speeded up processes, and most citizens see positive improvements as a result. RGoB is currently exploring the possibility of one-stop centres for decentralised access for various kinds of licences and certificates, where the authority is still centralised, but can be accessed more easily at dzongkhag level.

Decentralised planning was introduced in the 9th FYP, in a bottom up process whereby gewogs developed plans which were based on their assessments of local needs, and then aggregated at dzongkhag and central level. The Development Outcome Evaluation (DOE) report indicates that this process has been limited by the lack of capacity to forecast needs, citing as evidence that in the block grant pilot projects, 22 out of 25 projects chosen were outside the 9th FYP.

The same process has been used for the 10th FYP, and 80% of the annual grant allocated to the dzongkhags and gewogs must be used for projects identified within the district plan. The dzongkhag level plans have been published as part of the overall 10th FYP. Some concerns have been raised about the capacity to develop and implement plans at dzongkhag, and particularly gewog level. It remains to be seen whether this will prove to be a constraint by year four of the plan implementation. Funding has been much more closely linked to the 10th FYP than was the case under previous plans, where supplementary funding for off-plan activities was not uncommon.

The DOE report notes that the process and quality of micro-planning at village level, which is the basic unit of the bottom-up planning process, is uneven. Although there has been training on participatory planning both at sector level and at the level of the gup, recall of techniques was weak. The evaluation team was unable to ascertain whether or not the planning manual, which has been produced in 2009, has been widely distributed, or whether it will be rolled out as part of a capacity building process, but it is unlikely to have influenced the planning process for the 10th FYP. In the past, there have been concerns that the bottom-up planning process, though appreciated by communities, has resulted in long shopping lists. It is hoped that the notification of the budget allocation in advance will result in much greater realism, and prioritisation at local level. Where un-prioritised lists are submitted either to DYT level or to the centre, this effectively hands the decision-making to others higher up the planning chain.

Districts now also have access to funding through the constituency grants, which are not constrained in this manner and their use may highlight some of limitations of the current planning process.

5. **Administrative support**

There has also been considerable *administrative* decentralisation over the period. The district administration now reports to the elected body, the DYT, and staff numbers at dzongkhag level have increased, typically to 50-70 staff at dzongkhag level, plus extension workers. This will include a District Education Officer, usually with a Master’s degree, a District Health
Officer, a District Environment Officer and a District Election Officer, as well as a District Engineer’s Office. There is no devolved authority over the number of staff at dzongkhag level, for example the number of teachers in the education sector, but the dzongkhag has the authority to transfer staff within the dzongkhag, to evaluate performance and to recommend promotions. District Environment Committees have been set up, with a multi-disciplinary composition, to address environmental issues in a more holistic manner.

There have also been improvements in staffing at the gewog level. Each gewog should have a gewog administrative officer, and gewog accountants are being trained at dzongkhag level, to be located physically in the gewogs.

There have been no coordinated Human Resource Development (HRD) initiatives to support the decentralisation process until the development of the Integrated Capacity Building Plan (ICBP). According to the Assignment of Functional Responsibilities, gewogs can organise workshops and seminars, but not any formal training. Dzongkhags have slightly more flexibility, but still within constraints. There has been training of staff, but this has either been externally funded, or organised by sectors for their own decentralised staff.

In short, there have been significant efforts to increase the number of trained staff at local level, but this has been within a fairly uniform framework, with little flexibility, and perhaps insufficient account taken for individual local government requirements.

6. Fiscal decentralisation

Fiscal decentralisation has accompanied functional decentralisation, and each FYP has gradually increased the level of responsibility at local level.

The 9th FYP projected that local government would be allocated 24.5% of total plan financing. It has not been possible to assess to what extent the final outcome figures reflect this. The 10th FYP appears to show a decrease on this as a percentage of overall financing, with dzongkhags and gewogs receiving 18.75% of the overall indicative plan outlay (10th FYP, p. 67). Of this, 44% is for the capital budget, which is divided roughly 2:1 for the dzongkhags to gewogs.

Table 1. Budget and Expenditures for Activities Implemented by dzongkhags and gewogs

<table>
<thead>
<tr>
<th></th>
<th>2007-08 Rev budget</th>
<th>2007-08 Actual expenditures</th>
<th>2008-09 Revised Budget</th>
<th>2009-10 Budget estimates</th>
</tr>
</thead>
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<tr>
<td><strong>Dzongkhags</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>2715.963</td>
<td>2632.640</td>
<td>3220.275</td>
<td>3758.801</td>
</tr>
<tr>
<td>Capital</td>
<td>1690.704</td>
<td>1171.641</td>
<td>1830.503</td>
<td>2242.875</td>
</tr>
<tr>
<td><strong>Gewogs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>98.174</td>
<td>90.643</td>
<td>114.930</td>
<td>135.297</td>
</tr>
<tr>
<td>Capital</td>
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<td>255.247</td>
<td>811.418</td>
<td>791.232</td>
</tr>
<tr>
<td><strong>Dzongkhags &amp; Gewogs</strong></td>
<td><strong>4891.525</strong></td>
<td><strong>4151.171</strong></td>
<td><strong>5977.126</strong></td>
<td><strong>6928.205</strong></td>
</tr>
<tr>
<td>Current</td>
<td>2814.137</td>
<td>2723.283</td>
<td>3335.205</td>
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<tr>
<td>Capital</td>
<td>2077.388</td>
<td>1427.888</td>
<td>2641.921</td>
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</tr>
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</table>


5 The evaluation team had hoped that the final review of the 9th FYP would be available and could contain such an assessment.
Table 1, above, shows the budgets over the three-year period 2007-10, along with actual expenditures in 2007-08. This shows a considerable increase in the capital budget allocated to gewogs between 2007-08 and 2008-09, from approximately 23% of the dzongkhag budget in 2007-08 to 44% in 2008-09. It also shows that both dzongkhags and gewogs only managed to spend around 2/3 of the allocated capital budget in 2007-08. Although there is an increase of 11% in the budget for local governments between 2008-09 and 2009-10, this is allocated almost completely to the dzongkhag level.

The DOE indicates that, although there have been improvements in the funds flow process, compared to under the 8th FYP, there are still major issues in terms of the timing. Dzongkhags submit plans in the early part of the year (after January) but no real design and preparation for capital works seems to take place until the budget is confirmed in August-September. Effectively this leaves only six months for actual implementation, once time is allowed for preparation, contracting etc. In some parts of Bhutan, implementation may not be possible during the winter months. Although it may be possible to roll over funds, this has to be applied for and is a lengthy process with no guarantee of success. The evaluation team found that in 2009 there were still concerns at local level over this issue. The figures in Table 1 seem to substantiate this view.

As part of the 10th FYP’s objectives for decentralising planning, and budgeting, in 2009, a Resource Allocation Framework (RAF) was introduced which determines, on the basis of population, geographical size and poverty level, the amount of capital resources going to the dzongkhag and gewog level. Population has a weight of 70%, poverty is weighted 25% and geographical size is weighted 5%. There is a minimum allocation size, regardless of the outcome of the RAF. In addition, for 2009-10, where a gewog does not have a gup’s office, or a Renewable Natural Resources Office, or a road connecting the gewog to the dzongkhag centre, then funds will be provided for these, over and above the RAF allocation. In addition, the RAF does not included expenditure on education facilities, which is provided directly by the Ministry of Education.

The evaluation team found that there was concern at gewog level about the outcome of the RAF, with gewogs with smaller populations in particular concerned at how their allocation had been cut relative to previous years. It is difficult to assess at this stage how the RAF will evolve. One of the issues has been that data on poverty levels were not available at gewog level, so gewog allocations have been made on the basis of the aggregate level of poverty at the dzongkhag. Gewog level data should be available for the 2010-11 budget RAF, and this should benefit the more remote gewogs, who are also likely to be amongst the poorest in their dzongkhag. The GNHC is considering revising the weights in the RAF for the next budget year, increasing the weight for poverty at the expense of the weight for population.

Although the RAF has been criticised, it does represent a significant advance on previous processes for allocating funds to local governments. These had been based on individual negotiation, and were sometimes not linked closely to the 9th FYP. Enterprise dzongkhags could get supplementary budgets in mid-year. In all, this was not a transparent process, and whatever the flaws of the RAF, it provides a more equitable basis for resource allocation.

The budget process is as follows. The budget notification is sent out to gewogs at the end of December or beginning of January to facilitate planning. The gewog plan is discussed at DYT level, to ensure that it corresponds to national requirements, including the extent to which it corresponds to areas identified within the 10th FYP. This is then sent to the GNHC and the

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6 The evaluation team found that this was still a concern at gewog level in late 2009.
Department for National Budget, where it is incorporated into the National Budget. The National Budget is then presented to Parliament. Implementation can start in July. Gewogs and dzongkhags can apply for their budget against specific activities, through presentation of a simple requisition form, either before or after the activity has been undertaken.

Initially, the annual capital grant at gewog level appears to have been conceived as a genuine block grant process, whereby the gewog would get funding released in tranches against an agreed work plan and budget. However, the Ministry of Finance has taken a more cautious approach, at least for the present, with releases against activities. This reflects a general concern about the capacity at gewog level for project planning and implementation.

However, 20% of the total annual capital grant can be used flexibly, against either cost overruns, or unforeseen requirements, not included in the 10th FYP.

However, in contrast to the devolvement of planning responsibilities, which seems well embedded, there is still considerable central control over the disbursement and use of funds, with the 10th FYP very much the overall framework. Technically, gewogs could supplement their revenue through collection of local taxes. In practice, these make very low contributions to gewog revenue, at around 1% of a typical gewog budget. The main contribution of communities to local development activities is through community labour (woola) but this is increasingly difficult to mobilise, as only households registered in villages are liable, and even those often prefer to provide cash in lieu of labour, if they can afford to.

Concerns have been raised about restrictions on the use of the annual capital grant for maintenance. A maximum of 5% of the untied grant can be used for maintenance. This calls into question when road works are maintenance or rehabilitation, and if the former, what funds will be available to ensure that past investments are not deteriorating.

### 7. Capacity building

In order to fulfil their functions, both the elected officials, and their administrative officers need to understand and be trained in the requirements of their offices. Efforts have been made to prepare both these groups for their roles. The Royal Institute of Management (RIM) has put on courses for gups after their election, training manuals have been developed, and the Gewog Administrative Officers (GAOs) have also been trained at the RIM.

Gewog accountants have been placed at dzongkhag level for periods of up to two years to ensure that they are properly conversant with accounting procedures in local government, before they are posted to the gewogs. Training has also been an important part of the projects established during the 9th FYP to support local government. However there are concerns that these training processes, in particular those incorporated into the Local Government Development Programme (LGDP 1), which was implemented by JICA, and are the basis for the training programme developed for roll-out for local government during the 10th FYP, were much more intensively resourced, in terms of technical support and input, than will be possible for the second phase of local development.

An Integrated Capacity Building Plan (ICBP) was developed by JICA during the 9th FYP, and revised at the beginning of 2009. However, its rollout was postponed because of the delay in passing the Local Government Act, and therefore in holding local elections. It was thought inefficient to train gups who would only hold office for another few months. However, training has started as of October 2009, and by the end of January 2010, almost all Gewog Administrative Officers (GAOs) had been trained in planning and prioritization. These
GAOs have also been trained as trainers, and they are to train GYT members by the end of February. The objective of the training is to facilitate participatory planning and a democratic approach at the gewog level.

Currently, there are a number of different channels for delivering training at local level. The Royal Civil Service Commission (RCSC) is developing a master plan which will include staff at all levels of the civil service, including local government, local engineers and environmental officers are trained by their respective central agencies and the Ministry of Finance also provides training for relevant staff in PFM areas. These do not seem to be integrated into the ICBP, and it is not clear that the government agency directly responsible for capacity building will have authority to ensure that a more integrated approach is taken.

The 2009 Joint Annual Review (JAR) expresses concern about the comprehensiveness and depth of the current ICBP, in terms of both the extent of facilitation and support included in the overall roll-out, as compared to that included in the pilot districts. Also the JAR felt that it did not include all stakeholders. This is a very immediate challenge, given the current roll-out of the capital grant. There is also concern that the concept of capacity building used is very much focused on formal training, and provision of equipment. The JAR recommends that there should be much more emphasis on peer-learning, mentoring and backstopping, and identification of points of contact at dzongkhag level, where gewog staff could get specific assistance and back-up.

Discussions during the evaluation team’s field missions support the need for a broader, more inclusive approach to capacity building. It was clear that the rationale for training some staff and elected members and not others was either not understood or was not accepted. Maangmis and tshogpas indicated that they played important roles in disseminating information to citizens, through public meetings and participatory activities. They needed training in conducting these activities.

Many of the concerns expressed at central level, on planning and financial management focus on a perceived lack of capacity at local level. Systems are evolving more slowly than they might otherwise because of a need for caution. A more systematic approach to capacity building which addresses these concerns would allow for more rapid progress towards greater local empowerment. Systems should be put in place to verify that the precise approach taken to capacity building is appropriate and achieving the desired outcomes to ensure that a balance is achieved between progress towards greater decentralised control and the avoidance of undue risk due to lack of capacity.

Recommendation: The LGSP should review the ICBP with a view to developing a broader, more inclusive approach to capacity building with more emphasis on peer-learning and mentoring. The necessary funding levels should be re-assessed.

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7 The Department of Local Government (DLG) was migrated from MoHCA to GNHC in 2006. The department was then re-established in MoHCA in January 2009 by Cabinet. There has been some confusion as to the mandates of the new department and Local Development Department in the GNHC. However at the end of December it appears that agreement was reached that the DLG would take over the responsibility for capacity building, including coordination, while overall responsibility for project management would remain with GNHC.

8 The evaluation team understands that this process has started, following the recommendations of the 2009 JAR.
8. Information dissemination and sensitisation

For good local participation in decision-making, capacity building should not only focus on elected officials and civil servants. Citizens have to understand their role in the overall governance processes, their rights and responsibilities.

In some areas this has indeed happened. The work of the Election Commission in 2007 is one good example. The media has also played a part. The evaluation team were given a number of examples during their field visits of citizens’ increased understanding of their rights to complain and the need to respond to these complaints. Phone-in radio and television programmes have all played a part in encouraging citizens to hold government, both local and national, to account.

However, there are still concerns that sections of the population have been excluded from these processes. Women still play a much less active role than their male counterparts. The evaluation team was informed that DLG in MoHCA had approached UNDP with a proposal to build the capacity of local women and inform them of the plans and policies which could affect their lives.

The JAR also recommended that local authorities should go beyond the posting of information on public notice boards and use a variety of forms of media, including local language newspapers and local radio to broadcast information on annual work plans and projects to be implemented.

The DOE suggest that poor men and youths in rural areas are also at risk of being marginalised, and should be explicitly targeted by programmes aiming at developing empowerment.

Illiteracy is a huge barrier to active participation in local political processes, as meetings are increasingly held in a more formal manner, with written agenda and minutes. The GNH survey results show that almost 40% of respondents were illiterate in all of the three languages used in Bhutan. More women were illiterate than men (45% compared to 34%) and more rural people were illiterate than those living in urban areas (46% compared to 6%).

There is widespread provision of Non-Formal Education (NFE) programmes to teach adult literacy. There seems to be no reason why these programmes could not be expanded to include the development of leadership skills for marginalised groups, both men and women.

Increased local empowerment will require both improved access to information and the tools and understanding to enable people to make use of it. There are promising examples of where these kinds of sensitisation programmes have made a difference, but these need to be built upon, to encourage a more informed and active citizenship.

Recommendation: Danida, along with other development partners providing support to education, should look at ways of encouraging the expansion of NFE programmes to include the development of local leadership skills.

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9 Dzongkha, English and Nepali.
9. Conclusion

Decentralisation is still being rolled out in Bhutan, and many of the structures necessary for the development of decentralised systems which build local empowerment are being put in place. Focus has very much been on ensuring that trained officials are posted at dzongkhag and gewog level to ensure that administrative and financial systems can function. There is likely to be significant changes after the next local elections, particularly if the campaign to encourage more women to stand for elected positions is successful.

However, to reap the full benefits of decentralisation in terms of citizens’ participation, and to ensure that elites do not capture a monopoly on local power, there needs to be a more inclusive and creative approach to empowerment and information dissemination. The evaluation team found positive signs of participation in their field visits, particularly at the level of the tshogpas, and also examples of where participation in programmes such as NFE had made a considerable difference to individuals’ confidence and ability to command respect. These should be built on, and communities should be encouraged to share these positive examples.

There is also need for some kind of monitoring systems which can track progress on local empowerment. This does not need to be terribly formal but should be able to identify good practice and success stories, which can then be exchanged amongst communities and gewogs, so that they can learn from each other. That way, Bhutan can develop its own particular approaches to building capacity and empowerment at local level.

There are a number of areas where LOD, in its role on the LGSP Steering Committee, and also in its role in encouraging the Good Governance Coordination Forum, can promote a broader approach to local empowerment. Specific recommendations are:

- The LGSP Steering Committee should be proactive in requesting progress reports from MoHCA on the capacity of gewogs to comply with the requirements for free availability of information on local level plans and their implementation;
- The LGSP Steering Committee should encourage the Election Commission of Bhutan to conduct a post-election survey to assess the diversity and effectiveness of the new gups;
- LGSP should encourage the Election Commission to undertake a review of its sensitisation campaign to encourage more women to stand for election, as a basis for further work to encourage greater participation of women in local governance;
- The LGSP should review the ICBP with a view to developing a broader, more inclusive approach to capacity building with more emphasis on peer-learning and mentoring. The necessary funding levels should be re-assessed;
- Danida, along with other development partners providing support to Education, should look at ways of encouraging the expansion of NFE programmes to include the development of local leadership skills.
References


