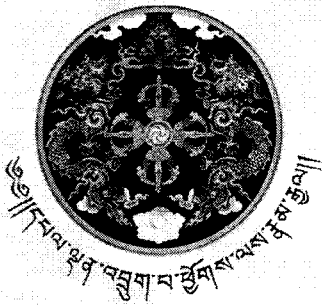


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DEPARTMENT OF BILATERAL AFFAIRS
MINISTRY OF FOREIGN AFFAIRS
ROYAL GOVERNMENT OF BHUTAN



MFA/BDA-1/109/4001

Press Release

The second round of Plan Talks between Bhutan and India on the 11th Five Year Plan was held in New Delhi last week from 26-27 November 2013. The Bhutanese delegation was led by Foreign Secretary Yeshey Dorji and the Indian delegation by Additional Secretary, Development Partnership Administration (DPA), Ms. Sujata Mehta.

The main focus of the Talks was on the Project Tied Assistance (PTA) under which the GoI has committed Rs. 28 billion. The Talks approved 39 projects under PTA, with 42 projects to be further considered after submitting more information. It was agreed that projects above Rs. 500 million shall require detailed project reports. RGoB will hire about 200 people on contract to supervise and manage GoI projects in the 11th Plan.

RGoB will allocate Nu. 2.3 billion or 10% of the value of the projects under PTA as co-financing, which will be reserved as cushion to meet project cost escalations. In total, 81 projects will be taken up under the PTA.

The Talks also agreed to enhance the ceiling for each Small Development Projects (SDP) from Rs. 30 million to Rs. 50 million to further rationalize implementation of the projects by the local governments.

The Talks agreed that the SDP Committee comprising of representatives from the Ministry of Foreign Affairs, the Gross National Happiness Commission and the Embassy of India will meet in Thimphu soon to approve the first draft of SDP projects under the 11th Plan.

It may be recalled that during the visit of Lyonchhen Tshering Tobgay to New Delhi in August 2013, the GoI has generally committed Rs. 45 billion to Bhutan's 11th Plan with the following components: Program Grant: Rs. 8.5 billion, SDP: Rs. 8.5 billion and PTA: Rs. 28 billion. In addition, GoI also committed Rs. 5 billion for the Economic Stimulus Plan and Rs. 3.95 billion being balance funds for the 10th Plan. GoI has so far released Rs. 3.9 billion.

Following the Plan Talks, it is expected that GoI releases will be expedited and activities under the 11th Plan will commence soon.

Ministry of Foreign Affairs

