

Guidelines for Dzongkhag Development Grant (DDG) -July 2016

1. Introduction

In line with Article 22 section 18 (C) of the Constitution of the Kingdom of Bhutan, the Royal Government has introduced the system of “**Dzongkhag Development Grant**” (DDG) to further promote *Wangtshe Chhirpel* thereby enabling the Local Governments to respond to the specific needs and priorities of Local Governments. Therefore, for efficient and effective utilization of the grant by the Local Governments to generate maximum social benefits, the Government hereby issues the Guidelines.

2. Objective

The main objective of the DDG is to:

- i. Further deepen *Wangtshe Chhirpel*;
- ii. Empower Local Governments in the utilization of the grant for funding priority activities of the respective Dzongkhags; and
- iii. Promote transparency, accountability and ownership in the use of the public resources.

3. Scope and use of the grant

- i. There shall be a grant of Nu.7 million (Ngultrums seven million) only per annum for each Dzongkhag;
- ii. The Grant shall be used for funding one or more activities that would **strengthen economy** and generate employment, income and benefit the LGs/communities;
- iii. The grant *may* be used to supplement the planned programmes, if the funds secured for the planned program is insufficient.
- iv. Based on the priority, up to 10% of the grant *may* be used for activities related to preservation and promotion of cultural heritage;
- v. *May be used for immediate minor restoration works;*

