

BUDGET REPORT FOR FY 2025-26



“What we lack in numbers, we must make up for with discipline, devotion, hardwork, loyalty and intelligence”

His Majesty The King’s Royal Address on the 117th National Day

Budget FY 2025-26 Highlights

ECONOMIC PERFORMANCE & OUTLOOK

- Bhutan's economy has shown steady recovery following the pandemic, with an average GDP growth of 5.1 percent from 2022 to 2023, driven by tourism, industry, and construction sectors.
- As a developing nation, growing at this rate is below its potential. However, the output gap has narrowed significantly from 3 percent in 2022 to 0.6 percent in 2023, indicating progress toward full economic capacity.
- The economic outlook is strong, with GDP projected to grow by 6.1 percent in 2024 and 8.3 percent in 2025, primarily supported by the commissioning of the Punatsangchhu Hydroelectric Project II (PHEP-II) and the initiation of major infrastructure projects, including the Khorlochhu and Dorjilung hydropower developments, which are expected to further boost construction and overall economic activity.
- The FY 2025–26 Budget serves as a strategic tool to enhance economic resilience, advance infrastructure development, and promote sustainable growth. It is aligned with the 13th FYP and Bhutan's vision of People, Progress, and Prosperity.

EXPENDITURE

- Total expenditure is estimated at Nu. 119,211.3 million, of which recurrent allocation is Nu. 58,481.2 million and capital allocation is Nu. 60,730.1 million, constituting 49 percent and 51 percent of the total expenditures, respectively.
- Of the total capital expenditure, about 42 percent is financed through grants, 35 percent through borrowings (internal and external), and 23 percent through surplus generated from internal resources.

KEY SECTOR MILESTONES

Health Sector: To enhance the health and well-being of the Bhutanese people in the 13th FYP, the following major KPI will be achieved:

- Strengthening diagnostic and treatment capacity to improve the nationwide health outcomes.
- Timely diagnosis of communicable diseases for high-risk individuals and high-burden Dzongkhags through targeted interventions.
- Complete the malaria elimination certification process and cultivate a skilled and responsive health workforce through long-term training and continuous medical education.

Education Sector: To achieve the objective of the Education Sector in the 13th FYP, the major key deliverables are:

- Complete 70 percent of the ongoing redevelopment of 20 Central Schools.
- Complete Phase II of the Recovery School in Kanglung.
- Establish an international school.
- Implement Centralized 40-Hour Professional Development (PD) for all teachers and education leaders.
- Upgrade qualifications and improve knowledge content to align with current global trends and standards in Paro and Samtse College of Education.
- Complete 40 percent of augmentation of existing technical training institutes (TTI-Chumey, TTI-Samthang, TTI-Rangjung, RDTC-Zhemgang).
- Enroll 3,181 youth job seekers in TTIs.

RNR Sector: To boost the primary sector GDP from Nu. 31 billion in 2023 to Nu. 50 billion by 2029, the Ministry of Agriculture and Livestock is prioritizing high-value agriculture and livestock production, processing, and marketing, with a total capital outlay of Nu. 15 billion. For FY 2025–26, the key initiatives include:

- Establishing five commercial farms.
- Supporting the production of essential and high-value crops and livestock products.
- Strengthening animal health services.
- Advancing biodiversity conservation and product development through bioprospecting.

Connectivity Sector: The Ministry of Infrastructure and Transport (MoIT) is leading a suite of infrastructure initiatives to enhance livability, accessibility, and connectivity across the country, supporting the goals of productivity enhancement, market diversification, and sustainable economic growth by 2029. The key areas of focus include:

- Investment in national highways and Dzongkhag roads aims to reduce travel time and boost economic integration.
- Strengthening domestic and international air connectivity through new airstrips, airport expansions, and new Air Services Agreements.

Mining and Manufacturing Sector: The mining and manufacturing sector is a key contributor to Bhutan's GDP. The sector targets a GDP increase from Nu. 4.1 billion to Nu. 9 billion in the 13th FYP and the key deliverables for FY 2025-26 include:

- Annual target of 250,000 tourist arrivals for FY 2025-26.
- Engage 3,250 youth in various engagement programs, and employ 2,500 youth through the Overseas Employment Program.
- Facilitate the establishment of 2,000 new industries, upscale 30 industries and employ 5,500 persons in production, manufacturing and services, tourism, and creative industry sectors.
- Facilitate 250 job placements and provide access to investment opportunities in the capital market.
- Completion of data interpretation and capacity enhancement for airborne geophysical (Airborne Magnetic Survey in Southern Belt and Thimphu Paro Region).

Energy Sector: To support Bhutan's goals of expanding energy generation, diversifying the energy mix, and enhancing energy security, the sector key targets include:

- Increasing wind capacity from 2.1 MWp to 23 MWp and solar capacity from 2.1 MWp to 467 MWp.
- Growing the sector's GDP contribution from Nu. 29 billion to Nu. 71.4 billion.
- Improving electricity accessibility and reliability and reducing fossil fuel consumption.

Communications and Technology Sector: The GovTech Agency will lead efforts to achieve the 13th FYP vision of a high-income GNH economy through digital transformation in governance, economy, and society. Key deliverables include:

- Increasing citizen satisfaction with online services.
- Reducing government operating costs.
- Enhancing service uptime to 99.9 percent by 2029 (from 98.7 percent in 2023).
- Improving cybersecurity maturity to Level 4— Strategic (from Level 1).
- Advancing AI maturity to Level 4 – Systemic (from Level 1).
- 255 households connected with mobile networks in seven Dzongkhags (Wangduephodrang, Paro, Bumthang, Samtse, Chhukha, Punakha and Gasa).

Religion and Culture Sector: To preserve Bhutan's unique identity, cultural heritage, and values while enhancing its presence in the international community, key deliverables include:

- Improvement of accommodation and facilities under Zhung Dratshang.
- Restoration/construction of lhakhangs and other significant cultural sites.

Local Government: To support the realization of Local Government Key Result Areas (LGKRAs) in the 13th FYP, Nu. 38,042.2 million (including the current allocation and centrally executed activities) is allocated.

PUBLIC DEBT SITUATION

- As of March 31, 2025, the public debt stock stood at Nu. 298,183.3 million, accounting for 99.1 percent of the FY 2024-25 GDP estimate.
- The total public debt stock comprises the external debt of Nu. 277,085.2 million (92.1 percent of GDP) and the domestic debt of Nu. 21,098.1 million (7 percent of GDP).
- The major portion of the external debt disbursed were for the development of hydropower projects, as hydropower debt constitutes 61.4 percent and non-hydropower debt constitutes 38.6 percent of total external debt.
- As of March 31, 2025, the Central Government (CGO) constituted 35.8 percent of total public debt and 35.5 percent of estimated GDP. *The Public Debt Management Policy 2023 requires the Central Government (CGO) debt stock to be within 55 percent of GDP annually and is, therefore, within the threshold.*

Key Budget Statistics FY 2025-26

Resource Estimates for FY 2025-26

Nu. in million

Total Resources	97,772.614
Direct Tax	32,257.873
CIT	15,425.450
BIT	1,975.688
PIT	3,450.243
Other Direct Taxes	11,406.492
Indirect Tax	14,681.375
Sales Tax (GST & EET)	10,880.000
Domestic Excise Duty	854.090
Green Tax	1,400.408
Custom Duty	865.963
Other Indirect Taxes	680.914
Non-Tax Revenue	23,522.882
DHI Dividend	6,481.940
Surplus Transfer RMA	2,256.000
Profit Transfer PHEP-II	3,281.838
Others	11,503.104
External Grants	25,415.218
Other Receipts	1,895.266

Macroeconomic Performance and Outlook

Percentage Change	2023	2024	2025	2026	2027
	Actual	Estimates	Estimates	Projection	Projection
Total Consumption	5.6	14.0	2.6	5.7	13.0
Total Investment	-12.7	-3.5	10.7	8.7	9.1
Exports	30.7	13.3	11.4	7.1	-11.7
Imports	-0.6	13.3	3.7	7.1	6.2
GDP Growth	4.9	6.1	8.3	6.8	6.4

Summarized Fiscal Framework

Nu. in million

Particular	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Estimates	Estimates	Projection	Projection
Total Resources	70,195.134	83,434.784	97,772.614	105,984.422	107,329.353
Total Expenditure	70,223.000	90,444.482	119,211.302	114,748.825	110,068.387
<i>o/w Current</i>	43,424.604	50,754.894	58,481.217	59,425.128	61,366.290
<i>o/w Capital</i>	26,798.396	39,689.588	60,730.085	55,323.697	48,702.097
<i>Net Advance</i>	403.352	-	-	-	-
Fiscal Deficit (FD)	(431.218)	(7,009.698)	(21,438.688)	(8,764.403)	(2,739.034)
FD % of GDP	-0.16%	-2.37%	-6.22%	-2.27%	-0.64%

Expenditure Performance and Outlook

Nu. in million

Particulars	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Estimates	Estimates	Projection	Projection
Total Expenditure	70,223.000	90,444.482	119,211.302	114,748.825	110,068.387
Current Expenditure	43,424.604	50,754.894	58,481.217	59,425.128	61,366.290
Capital Expenditure	26,798.396	39,689.588	60,730.085	55,323.697	48,702.097

Debt Performance and Outlook

Nu. in million

Particulars	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual	Estimate	Estimate	Projection	Projection
Financing	431.218	7,009.698	21,438.688	8,764.403	2,739.034
Net Lending	2,910.714	1,784.246	(9,552.817)	(10,181.089)	(10,757.297)
Net External Borrowing	4,360.780	2,350.131	(5,141.568)	(3,733.449)	(6,404.399)
Net Internal Borrowing	2,837.776	2,875.321	17,027.439	2,316.763	(1,613.864)
Percent of GDP					
Total Public Debt	111.9	104.3	120.6	112.7	108.9
Total External Debt	99.8	96.4	104.5	96.5	92.8

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Introduction

The Budget for FY 2025-26 is presented at a time of persistent global uncertainties, marked by trade tensions, regional conflicts, inflationary pressures and climate related disruptions. In this challenging environment, guided by the visionary leadership of our Monarchs, Bhutan remains focused on strengthening economic resilience through strategic investments, institutional reforms, and prudent fiscal management. This Budget reflects a conscious alignment of the people's aspirations with the strategic priorities of the Nation.

As the second budget under the 13th Five Year Plan (FYP), it allocates an unprecedented share of resources towards capital investment, positioning the budget not only as a fiscal tool but also as a strategic instrument for advancing national development. Guided by the principles of equity, efficiency and sustainability, this budget prioritizes investments in social sectors, infrastructure development, and human capital. It also strengthens decentralization by increasing financial resources to Local Governments, and enhancing the operational effectiveness of constitutional and autonomous bodies.

The macroeconomic outlook for FY 2025–26 remains broadly positive, underpinned by strong regional growth prospects, the commissioning of key hydropower projects, and proactive policy initiatives under the Economic Stimulus Program (ESP). Efforts by the Economic Development Board to attract foreign direct investment and drive structural reforms further support this outlook.

This Budget draws deep inspiration from the Royal Address of His Majesty The King on the 117th National Day. His Majesty's articulation of the “Diamond Strategy” and the vision for an Enlightened Entrepreneurial Bureaucracy (E2B) offers a transformative call to reimagine Bhutan's public sector. The Budget embodies this vision by supporting the development of a dynamic, agile and result driven public sector aligned with the broader national transformation agenda.

Framed under the theme ***“Accelerating Prosperity and Social Transformation through Enterprise, Innovation, and Efficiency”***, the budget underscores the importance of enhanced domestic revenue

mobilization, prudent fiscal management, and long-term debt sustainability within the context of a medium-term fiscal strategy. It reflects a deliberate shift toward high-impact capital investments, digital transformation, and structural reform, while maintaining macro-fiscal stability. Recurrent expenditure is calibrated to ensure operational efficiency and reinforce fiscal discipline.

As Bhutan enters a pivotal decade of transformation, this Budget lays the foundation for a more inclusive, resilient and forward-looking economy. It is a call for collective action, anchored in clarity, courage, and commitment, to ensure that public resources are strategically leveraged in pursuit of His Majesty's vision for a just, prosperous, and dynamic Bhutan.

Chapter 1: Macroeconomic Situation and Outlook

1.1 Global Outlook:

In 2024–2025, the global economy navigates a landscape of resilience and uncertainty, marked by uneven regional growth driven by inflation, policy shifts, geopolitical tensions, natural disasters, and technological changes. According to the IMF's January 2025 World Economic Outlook update, global GDP is projected to grow by 3.3 percent in both 2025 and 2026—below the historical average of 3.7 percent (2000–2019). Advanced economies are set for modest growth (1.9 percent in 2025, 1.8 percent in 2026), while emerging markets, led by China, India, and Brazil, are expected to stabilize around 4.2–4.3 percent, collectively contributing about 60 percent of global growth. Inflation remains uneven, sustaining high interest rates globally. Key risks include rising U.S. tariffs and geopolitical instability, while opportunities emerge from technological innovation, renewable energy, and sustainability efforts.

1.2 Regional Outlook:

South Asia is projected to remain one of the fastest-growing regions globally, with economic growth expected to rise to 6.2 percent in both 2025 and 2026, up from 6 percent in 2024, driven primarily by India's strong performance and recoveries in Sri Lanka and Pakistan. India is forecast to grow by 6.7 percent during this period, supported by robust domestic demand, service sector expansion, and favorable tax reforms. In contrast, Bangladesh's growth is expected to slow to 4.1 percent in 2025 due to political instability but may rebound to 5.4 percent in 2026 with anticipated improvements in stability and consumer confidence.

Other countries in the region, including Sri Lanka, Pakistan, Maldives, and Nepal, are projected to grow between 3 percent and 5 percent, buoyed by better business sentiment, tourism, industry, and hydropower. However, the region remains vulnerable to risks such as geopolitical tensions, commodity price volatility, climate shocks, and weaker global growth.

1.3 Domestic Growth and Outlook:

The economy has grown steadily, driven by hydropower, tourism, and agriculture. Post-pandemic recovery averaged 4.8 percent GDP growth (2021–2023), though still below potential, with the output gap narrowing from 3 percent in 2022 to 0.6 percent in 2023.

The economic outlook is positive, with projected growth of 6.1 percent in 2024 and 8.3 percent in 2025, driven by the commissioning of (Punatsangchhu Hydro Electric Project) PHEP-II and renewed construction momentum in major hydropower projects such as Khorlochhu and Dorjilung.

Table 1.1 Sectoral Growth

Sector	Percentage Change (%)			
	2023	2024	2025	2026
	Actual	Estimates	Projection	
GDP Growth	4.9	6.1	8.3	6.8
Agriculture	1.4	3.6	2.0	1.7
Industry	-0.03	8.7	16.4	12.5
Services	7.9	4.8	4.8	4.1
Net Taxes	24.2	12.5	11.3	8.8

The agriculture sector is expected to grow by 3.6 percent in 2024 and 2 percent in 2025, up from 1.4 percent in 2023, driven mainly by gains in forestry, logging, and livestock. The industry sector is projected to grow substantially by 8.7 percent in 2024 and 16.4 percent in 2025 due to improved performance in electricity and construction sectors, supported by commissioning of PHEP-II and construction of new hydropower projects. Meanwhile, the services sector is estimated to grow moderately at around 4.8 percent each in 2024 and 2025, on account of lower than anticipated tourist arrivals affecting sectors such as hotel and restaurant, and communications.

On the demand side, public consumption is estimated to grow by 4.5 percent in 2024 as compared to 1.4 percent in 2023, driven by higher primary current expenditure. However, it is projected to moderate to 3.5 percent in 2025 due to a shift in fiscal priorities. Private consumption is expected to surge by 17.6 percent in 2024 from 7.4 percent in 2023 and is likely to contract by 2.2 percent in 2025, largely driven by declining real wage.

The government investment is projected to grow by 4.4 percent in 2025 and further accelerate to 17.9 percent in 2026, due to anticipated increase in the capital expenditure. The private investment is also projected to increase by 12.3 percent in 2025 up from an estimated 3 percent in 2024, due to higher investment in the hydropower sector and rebound in private construction following the lifting of the housing loan moratorium. While the growth in exports of goods and services is forecasted to slow down, import growth is expected to fluctuate over the medium term influenced by the prevailing economic conditions.

Table 1.2 GDP Growth Estimates by Expenditure Side

Particulars	Percentage Change (%)			
	2023	2024	2025	2026
	Actual	Estimates	Projection	
Public Consumption	1.4	4.5	3.5	4.3
Private Consumption	7.4	17.6	2.2	6.2
Govt. Investment	-3.4	-22.4	4.4	17.9
Private Investment	-15.5	3.0	12.3	6.5
Exports of Goods & Services	30.7	13.3	11.4	7.1
Imports of Goods & Services	-0.6	13.3	3.7	7.1
GDP Growth	4.9	6.1	8.3	6.8

In the medium term, economic growth is expected to accelerate, driven primarily by the hydropower sector followed by tourism and agriculture sectors. However, persistent structural challenges continue to pose risks compounded by external shocks like commodity price and exchange rate fluctuations. By leveraging strategic investments and implementing targeted policy reforms, the economy is well-positioned to achieve sustainable and inclusive growth, ensuring long-term stability.

1.3.1 Real Sector Performance and Outlook:

Agriculture Sector:

As illustrated in **Table 1.3**, the agricultural sector is estimated to see a significant growth of 3.6 percent in 2024 compared to 1.4 percent in 2023. This growth is expected to be mainly driven by livestock production, forestry and logging with respective sectoral growth rates of 2.4 percent and 15.5

percent. In 2025, the growth in the agriculture sector is projected at 2 percent before declining to 1.7 percent in 2026. This growth trajectory reflects the low productivity of the sector, largely due to limited opportunities for farm mechanization caused by the challenging topography.

The unpredictability of climate and weather patterns continues to impact crop production alongside labor shortages, and human-wildlife conflicts. However, the policy reforms and strategic government interventions are expected to support the sector, fostering resilience while ensuring a positive outlook for the future.

Industry Sector:

The industry sector is estimated to grow by 8.7 percent in 2024, rebounding from a slight contraction in 2023. Growth will be driven by electricity (9.5 percent) and construction activities (15.8 percent). In 2025, the sector is projected to grow significantly by 16.4 percent, largely due to commissioning of PHEP-II and the initiation of new hydropower projects boosting electricity and construction sectors by 15 percent and 25 percent respectively. Meanwhile, the mining and quarrying sector is forecasted to decline by 10.9 percent in 2024 before rebounding to 9.5 percent in 2025. The manufacturing sector is expected to stabilize at 5.1 percent in the medium term.

Service Sector:

In 2023, the service sector grew by 7.9 percent, up from 6.8 percent in 2022, marking a 1 percentage point increase. This growth was primarily driven by growth in the transport, hotel and restaurant, finance and insurance services, public administration and defense, as well as health and education. In 2024, the sector is estimated to grow by 4.8 percent and anticipated to remain the same in 2025. The projected growth of the service sector in 2025 is attributed to strong performance in wholesale and retail trade (1.4 percent), transport and storage (9.3 percent), hotel and restaurant (25.7 percent), communications (3.7 percent), financing and insurance (4.6 percent), real estate and dwellings (2.8 percent), professional support services (2.9 percent), public administration and defense (3.8 percent), education (3.5 percent), and health (5.2 percent). However, entertainment, recreation, and other services are expected to contract by 0.2 percent, in contrast to the 4.4 percent growth estimated for 2024.

Table 1.3 Sectoral Growth

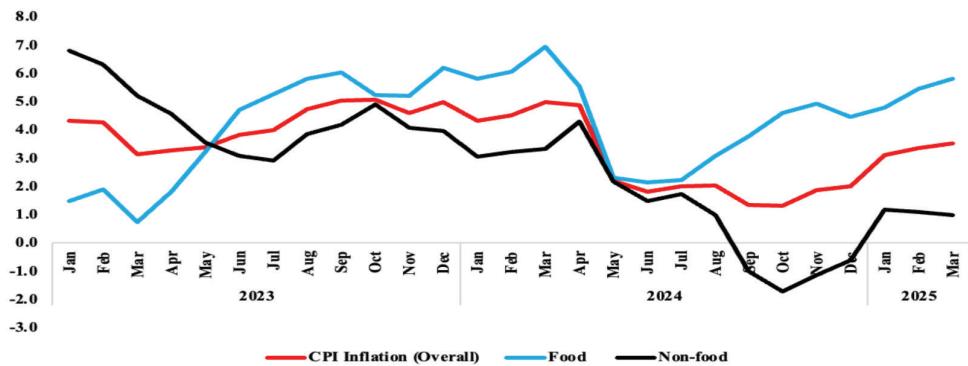
Particulars	Percentage Change (%)				
	2022	2023	2024	2025	2026
	Actual		Estimates	Projection	
Agriculture, livestock, and forestry	-1.1	1.4	3.6	2.0	1.7
Crops	-4.0	-1.9	0.0	0.0	-0.9
Livestock production	0.3	3.7	2.4	2.4	2.0
Forestry and logging	4.1	5.4	15.5	5.8	6.5
Industry	5.6	-0.03	8.7	16.4	12.5
Mining and quarrying	-3.0	37.0	-10.9	9.5	4.5
Manufacturing	6.7	4.4	5.1	5.1	5.1
Electricity	-1.1	-2.0	9.5	15.0	7.1
Water Supply	6.0	6.0	-100.0	0.0	0.0
Construction	16.5	-7.2	15.8	25.0	23.0
Services	6.8	7.9	4.8	4.8	4.1
Wholesale and retail trade	14.4	6.0	2.3	1.4	4.1
Transport, Storage	4.7	7.9	8.0	9.3	10.5
Hotel and restaurant	31.6	50.6	24.8	25.7	22.0
Communications	14.4	8.2	-30.6	3.7	2.2
Financing and Insurance	1.1	13.4	-16.0	4.6	7.0
Real Estate and Dwellings	2.6	2.2	86.5	2.8	2.3
Professional, Administrative and Support Services	14.0	9.6	-2.9	2.9	0.6
Public Administration and Defense	1.5	5.4	6.4	3.8	-2.5
Education	0.1	6.8	3.9	3.5	2.7
Human Health and social work Health	2.6	6.3	4.7	5.2	3.3
Entertainment, recreation and other services	89.8	-6.0	4.4	-0.2	-0.6
GDP Growth	5.2	4.9	6.1	8.3	6.8

1.3.2 Monetary and Financial Sector:

Inflation:

In 2024, overall inflation averaged 2.8 percent, reflecting a 1.4 percentage point decline from 2023. The downward trend in inflation was driven by a slower annual increment in both food and non-food index. While food inflation edged up by 0.4 percent in 2024, non-food inflation saw a substantial drop of 3.1 percent, down from 4.5 percent in 2023 indicating a notable easing of price pressures in key expenditure categories.

Figure 1.1 CPI Monthly Inflation Trend



Despite the overall decline, monthly inflation exhibited an upward trend driven by rise in both food and non-food prices. As of March 2025, overall inflation stood at 3.5 percent, marking a 0.1 percentage point increase from 3.4 percent in February 2025.

Looking ahead, inflation is expected to rise in the medium term as food and non-food commodity prices trend upward, driven by geopolitical uncertainties such as trade wars and potential disruptions to global supply chains. These external pressures could intensify cost fluctuation, impacting market stability and consumer purchasing power.

Monetary:

As shown in **Table 1.4**, money supply (M2), measured by broad money, recorded a modest growth of 1.7 percent in FY 2023-24. This growth

was primarily driven by an increase in time deposits, followed by savings deposits (RMA Annual Report 2024). Looking ahead, the M2 is estimated to significantly expand by 15.2 percent in FY 2024-25 and 13.1 percent in FY 2025-26, mainly supported by growth in savings, time, and foreign deposits.

Table 1.4 Monetary Aggregates

Particulars	Percentage Change (YoY)				
	2022-23	2023-24	2024-25	2025-26	2026-27
	Actual	Estimates		Projection	
Broad Money (M2)	9.8	1.7	15.2	13.1	12.9
Net Foreign Asset	-17.8	-1.1	27.3	16.2	23.0
Domestic Credit	24.5	0.1	8.0	10.0	5.6
Credit to Private Sector	19.2	5.4	15.4	9.8	7.5

Net Foreign Assets (NFA) rebounded slightly, contracting by only 1.1 percent in FY 2023-24 after a steep fall of 17.8 percent in the previous FY. Going forward, NFA is estimated to grow substantially by 27.3 percent in FY 2024-25 and 16.2 percent in FY 2025-26. This growth is mainly expected to be fueled by grant inflows and proceeds from hydropower exports. Domestic credit increased marginally by 0.1 percent in FY 2023-24, but is projected to grow by 8 percent in FY 2024-25, driven by lifting of moratorium on vehicle and housing construction loans. As a result, the credit to the private sector which grew at 5.4 percent in FY 2023-24, is projected to expand significantly by 15.4 percent in FY 2024-25.

As of March 31, 2025, the banking sector's pure excess liquidity for FY 2024-25 is estimated at Nu. 11,247.4 million, a slight increase from Nu. 10,899.3 million in FY 2023-24. However, it is expected to decline to Nu. 7,224.4 million in FY 2025-26. This expected downward trend of liquidity in banks is attributable to an increased investment activity, leading to higher imports and credit growth.

1.3.3 External Sector:

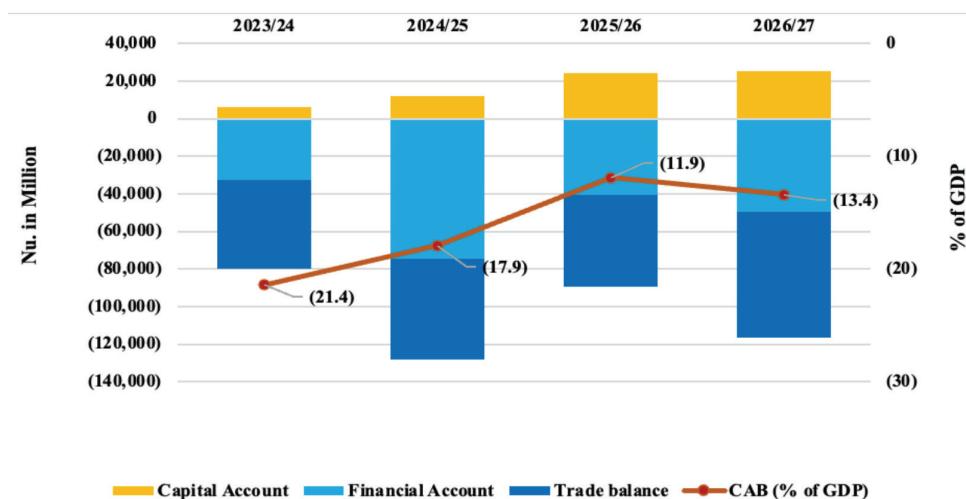
Balance of Payment

The Current Account Balance (CAB) has shown significant improvement, with the current account deficit narrowing to 21.4 percent of GDP in FY 2023-24, down from 34 percent in FY 2022-23. This improvement is largely

attributed to a strengthened trade balance, driven by higher service exports and non-hydro exports. The current account deficit is expected to further improve to 17.9 percent of GDP in FY 2024-25. This positive trajectory is supported by enhancement in the services and secondary income accounts, along with higher export performance.

Despite these gains, the trade deficit remains a concern due to import dependency, particularly for hydropower-related imports from India. The trade deficit is estimated to reach Nu. 53,909.6 million in FY 2024-25 and is projected to decline to Nu. 48,469.5 million in FY 2025-26, reflecting adjustments in import levels as new hydropower projects progress.

Figure 1.2 Balance of Payments



On the external front, the capital account balance for FY 2024-25 is estimated at Nu. 11,808 million, reflecting an 85.4 percent increase from Nu. 6,369.5 million in FY 2023-24. This upward trend is anticipated to continue, driven by inflows from budgetary grants and hydropower project disbursements. Over the medium term, the capital account is projected to improve further, supported by ongoing implementation of the 13th FYP, which is expected to enhance fiscal stability and investment flows.

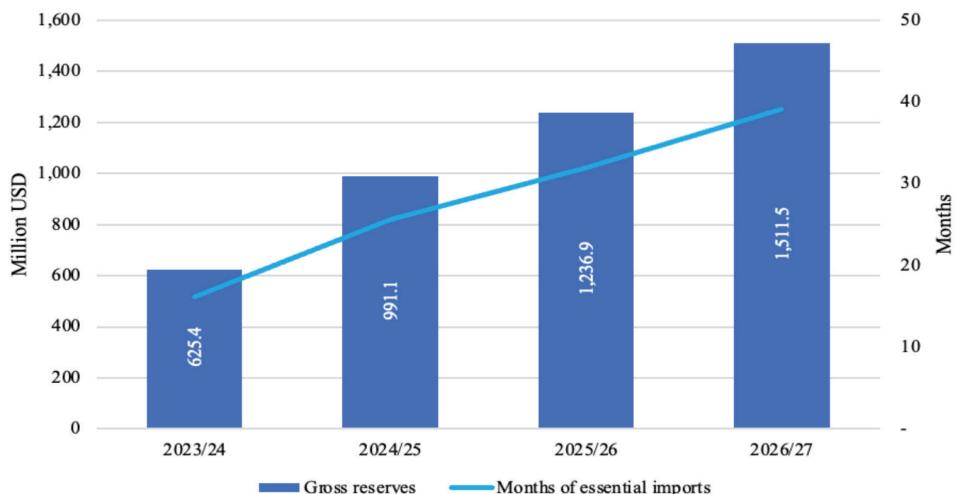
The financial account balance for FY 2024-25 is estimated at Nu. (74,286.8) million, reflecting a 103.6 percent increase from Nu. (32,697.4) million in FY

2023-24. This surge is driven by anticipated increase in external borrowings to finance planned activities. Looking ahead, the financial account balance is projected to fluctuate, depending on the government policy decisions on investment financing.

Reserve Position:

At the end of FY 2023-24, gross international reserves stood at USD 625.4 million, sufficient to cover 16 months of essential imports. For FY 2024-25, reserve position is estimated to increase to USD 991.1 million adequate to cover 26 months of essential imports. However, the latest reserve position as of May 5, 2025 is estimated at USD 862.9 million. In the medium-term, overall foreign reserve is projected to improve mainly driven by growth in convertible currency reserves and implementation of export promotion measures.

Figure 1.3 International Reserve Position



1.3.4. Household and Labor

Per Capita Income:

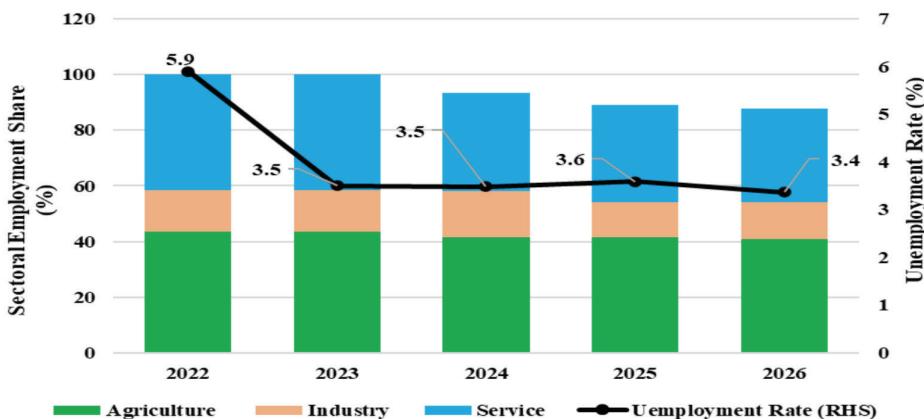
GDP per capita, a key indicator of living standards, prosperity, and overall economic well-being, rose from USD 3,833 in 2022 to USD 3,920 in 2023, reflecting 2 percent growth. This modest increase reflects stronger economic performance and increased output. Looking ahead, GDP per capita is projected to rise further to USD 4,147 in 2024 and USD 4,984.8 in 2025, supported by anticipated economic expansion.

Similarly, Gross National Income (GNI) per capita is estimated to increase from USD 3,704 in 2023 to USD 3,895 in 2024, with further growth to USD 4,727.8 in 2025.

Employment:

Since peaking at 5.9 percent in 2022, the unemployment rate has been slowing down in recent years. According to the Labour Force Survey Report (March 2025), the rate remained at 3.5 percent in 2024, unchanged from the previous year. However, 2025 is expected to increase slightly to 3.6 percent, driven by an expanding labor force as the working-age population grows. Looking ahead, unemployment is projected to decline to 3.4 percent in 2026, supported by accelerating economic growth and job creation initiatives under the 13th FYP, which are expected to further enhance employment opportunities.

Figure 1.4 Sectoral Employment Share and Unemployment Rate



In terms of sectoral employment, the agriculture sector remains the largest employer, accounting for over 41 percent of total employment in 2024. The service sector contributed 35 percent, while the industry sector accounted for 16 percent. Although the share of employment in agriculture is on a gradual decline, it is expected to remain dominant over the medium term. Meanwhile, employment in the industry sector is expected to decrease, while the service sector's share is expected to remain relatively stable.

Chapter 2: Fiscal Performance

2.1 Resource and Expenditure Performance in FY 2024-25:

The total resources for the FY have increased by approximately 14 percent and correspondingly expenditure has increased by 1.6 percent from the approved budget.

2.1.1 Internal Resources:

The increase from the approved estimates of Nu. 54,749.9 million to Nu. 63,694.6 million in the domestic revenue is primarily due to the improved tax revenue and increased profit transfers from RMA and dividend from DHI. The other reasons for upward revision were due to profit transfer from PHEP-II, and profit transfer from Mangdechhu Hydropower.

Other receipts for the FY have been revised to Nu. 2,085.3 million, reflecting a 9.2 percent increase as of March 31, 2025. This increase was attributed to the incorporation of funds from BT FEC and channeling of CD account funds through the budgetary process.

Table 2.1 Revised Budget Summary for FY 2024-25 as on March 31, 2025

Particulars	Approved	Revised
Total Resources	73,182.049	83,434.784
I. Internal Resources	56,660.426	65,779.977
i. Domestic Revenue	54,749.944	63,694.630
ii. Other Receipts	1,910.482	2,085.347
II. Grants	16,521.623	17,654.807
Total Expenditure	89,051.173	90,444.482
i. Current Expenditure	50,809.905	50,754.894
ii. Capital Expenditure	38,241.268	39,689.588
Fiscal Balance	(15,869.124)	(7,009.698)
Fiscal Balance % of GDP	-5.21%	-2.37%

Accordingly, the fiscal deficit has improved to 2.4 percent from the approved estimates of 5.2 percent.

2.1.2 Project-tied Grants and Loans:

The net increase in grants and loans during the FY, amounting to Nu. 1,413.2 million, was primarily due to the inclusion of new projects and activities based on commitments and agreements, as well as downward revisions aligned with the revised work plan and implementation capacity.

Table 2.2 Summary of External Grant and Loan Incorporations as of March 31, 2025

<i>Nu.in million</i>		
Sl. No.	Funding Agency	Amount
A	GRANT:	2,030.614
1	Bhutan Foundation	17.104
2	Food and Agriculture Organization	2.875
3	Government of India (GOI)	1,015.984
4	Green Climate Fund (GCF)	341.682
5	Helvetas Swiss Inter-corporation	6.955
6	International Fund for Agricultural Development	6.262
7	SAARC Development Fund (SDF)	21.475
8	SCF/USA	130.908
9	United Nations Children's Fund (UNICEF)	18.242
10	United Nations Development Program (UNDP)	9.165
11	United Nations Environmental Program	22.494
12	United Nations Fund for Population Activities	7.245
13	World Bank (WB)	191.836
14	World Food Program (WFP)	6.582
15	World Wildlife Fund (WWF)	10.874
16	Other Development Partners	220.931
B	LOAN:	170.602
1	International Fund for Agricultural Development	170.602
Total Grants and Loans		2,201.216
C	Less Rationalization	(788.058)
1	European Union	(50.247)
2	Global Fund to Fight Aids, Tuberculosis & Malaria	(1.085)

Sl. No.	Funding Agency	Amount
3	World Health Organization	(121.718)
4	Asian Development Bank	(607.293)
5	International Development Association, W/Bank	(7.715)
Net Total Incorporation (Grants and Loans)		1,413.158

2.1.3 Expenditure:

The total budget for FY 2024-25 excluding lending and repayments has been revised by Nu. 1,393.3 million. The increase is on account of incorporations of project-tied loans and grants.

2.1.4 Supplementary Budget Appropriation Bill for FY 2024-25:

The details of the supplementary budget incorporated during the FY is presented below:

Table 2.3 Summary of Supplementary Incorporations

Particulars	Nu. in million
Incorporations of External Grants and Loans	1,413.158
Incorporations of Internal Grants	174.865
Net Supplementary Incorporation	1,588.023

The Supplementary Budget Appropriation Bill for FY 2024-25 of Nu. 1,588.023 million is submitted to the House for consideration. The total budget appropriation for FY 2024-25 is revised from Nu. 97,628.8 million to Nu. 99,216.9 million.

Chapter 3: Fiscal Policy and Fiscal Framework

3.1 Fiscal Policy:

Fiscal policy remains a vital tool for promoting sustainable economic growth and macroeconomic stability. In line with the 13th FYP, the government will maintain an expansionary fiscal stance aimed at stimulating economic recovery and generating employment. However, constrained domestic resources necessitate continued reliance on external borrowings, which increases fiscal vulnerability by increasing public debt.

To ensure fiscal sustainability, the government will adhere to a fiscal deficit ceiling of 3 percent of GDP on average over the 13th FYP. Budgetary agencies must prioritize high-impact proposals aligned with Annual Work Plans (AWPs) and Key Performance Indicators (KPIs) to maximize returns, improve spending efficiency, and stay within the economy's absorptive capacity.

The government remains firmly committed to fiscal discipline, directing public spending towards priority areas such as infrastructure development, economic growth, social protection, and good governance. Concurrently, fiscal reforms will be implemented to enhance domestic revenue mobilization and gradually reduce reliance on external financing.

3.2 Fiscal Policy Objective

The fiscal policy objectives of the RGoB aligns with the broader development philosophy of Gross National Happiness (GNH) and focus on maintaining macroeconomic stability, sustainable economic growth, and social welfare. Following are the key fiscal policy objectives:

1. Promoting Sustainable and Stable Economic Growth;
2. Enhancing Revenue Mobilization and Expenditure Efficiency; and
3. Safeguarding Fiscal Stability and Resilience.

3.3 Fiscal Policy Statement:

The FY 2025-26 fiscal policy sets a bold yet disciplined path which places sustainable and inclusive economic development at the heart of the fiscal strategy. This commitment is firmly anchored in fiscal discipline, which is not just about controlling spending but transforming how the public sector operates. The government is committed to driving a shift towards an entrepreneurial and innovation led public service that supports economic transformation.

Revenue reforms, including the implementation of the Goods and Services Tax (GST), modernization and rationalization of the Income Tax, enhancing digitalization of tax administration, and improved compliance are planned in the fiscal year as critical, to not only create the fiscal space for priority investments, but also to support the economic transformation agenda.

Public expenditure will be strategically aligned to national priorities in sectors like hydropower, tourism, agriculture and digital services. Infrastructure development remains a major driver of capital investments. A result-based approach coupled with prudent financial controls remains critical to deliver the best value for money. At the same time institutional reforms that unlock innovation, streamline delivery and unlock public-private collaboration are critical to support the fiscal policy stance.

Maintaining fiscal stability remains a cornerstone, with focus on managing debt at a sustainable level. Borrowing will be carefully targeted towards productive investments that yield long term national benefits, reflecting the government's commitment to safeguarding inter-generational equity.

3.4 Fiscal Outlook and Policy Targets FY 2025-26:

To uphold prudent fiscal management and macroeconomic stability, the formulation of fiscal policy targets for FY 2025-26 is essential in maintaining fiscal discipline, debt sustainability, and economic stability. These targets reinforce the government's commitment to responsible financial management and sustainable economic growth. The key fiscal policy targets for the FY 2025-26 are as follows:

- a) Contain fiscal deficit within 5 percent of GDP;
- b) Domestic revenue mobilization of Nu. 71,000 million;

- c) Maintain recurrent expenditure within 80 percent of internal resources;
- d) Central government debt maintained below 40 percent of GDP.

3.5 Medium-Term Fiscal Framework:

The Medium-Term Fiscal Framework (MTFF) provides a comprehensive overview of the government's fiscal performance and projections, serving as a key tool for policy decision-making. It outlines total resources, expenditures, fiscal balance, and financing components over the medium term, determining the fiscal path in the medium term for macroeconomic stability and sustainable growth.

For FY 2025-26, the fiscal framework presents a retrospective analysis of the macro-fiscal outcomes of the previous FY, revised estimates for the current FY and the next FY, and the projections for the following two FYs. This structured approach enables long-term fiscal planning, allowing policymakers and stakeholders to evaluate the effectiveness of past fiscal policies and assess the government's strategic direction for the future.

Table 3.1 Medium-Term Fiscal Framework

Nu. in million

Particular	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	Actual	Estimates		Projection	
Total Resources	70,195.134	83,434.784	97,772.614	105,984.422	107,329.353
1. Domestic Revenue	56,014.461	63,694.630	70,462.130	74,893.450	79,059.722
2. Other Receipts	3,565.106	2,085.347	1,895.266	1,877.190	1,962.409
3. Grants	10,615.567	17,654.807	25,415.218	29,213.782	26,307.222
Total Outlay	70,223.000	90,444.482	119,211.302	114,748.825	110,068.387
1. Recurrent Expenditure	43,424.604	50,754.894	58,481.217	59,425.128	61,366.290
2. Capital Expenditure	26,798.396	39,689.588	60,730.085	55,323.697	48,702.097
Advance/Suspense (Net)	403.352	-	-	-	-
Net Other Payment	-	-	-	-	-
Overall Balance	(431.218)	(7,009.698)	(21,438.688)	(8,764.403)	(2,739.034)
Financing	431.218	7,009.698	21,438.688	8,764.403	2,739.034
Net Lending	2,910.714	1,784.246	(9,552.817)	(10,181.089)	(10,757.297)
Net External borrowings	4,360.780	2,350.131	(5,141.568)	(3,733.449)	(6,404.399)
Net Internal borrowings	2,837.776	2,875.321	17,027.439	2,316.763	(1,613.864)
Fiscal Balance % of GDP	-0.16%	-2.37%	-6.22%	-2.27%	-0.64%

As shown in **Table 3.1**, the fiscal deficit for FY 2023-24 stood at Nu. 431.2 million, resulting in 0.2 percent of GDP, one of the lowest levels in recent years. This improvement was primarily driven by a significant increase in domestic revenue, attributed to enhanced tax performance during the FY. For FY 2024-25, the fiscal deficit is estimated at Nu. 7,009.7 million, accounting for 2.4 percent of GDP, driven by increased expenditure outpacing revenue growth. Similarly, the fiscal deficit is estimated at Nu. 21,438.7 million in FY 2025-26, representing approximately 6.2 percent of GDP. This rise is mainly driven by an anticipated increase in recurrent expenditures, such as higher interest payments, along with a larger capital budget allocation resulting from a mismatch in fund disbursement and lower physical performance in FY 2024-25.

Despite these short-term fiscal pressures, the medium-term outlook remains optimistic. Expected growth in tax and non-tax revenues, along with the mobilization of external grants, is anticipated to support fiscal consolidation and lead to a gradual reduction in fiscal deficits over time. Further, ongoing fiscal reforms and prudent expenditure management will be critical in ensuring sustainable public finances while fostering economic resilience and long-term growth.

Chapter 4: Resource Outlook

4.1 Medium-Term Resource Framework:

The Medium-Term Resource Outlook is presented in **Table 4.1**. The total resource for FY 2025-26 is estimated at Nu. 97,772.6 million, comprising anticipated domestic revenue of Nu. 70,462.1 million and external grants of Nu. 25,415.2 million. Resource projections indicate a steady increase to Nu. 105,984.4 million in FY 2026-27 and Nu. 107,329.4 million in FY 2027-28. This growth in domestic revenue is primarily driven by enhanced collections from direct taxes (CIT, BIT and PIT), and increased revenue from indirect taxes.

The revenue boost is further supported by anticipated profit transfers from commissioning of PHEP-II and implementation of Goods and Services Tax (GST). Additional revenue is expected from the increased collection of customs duty, royalties from tourism, and hydroelectric power sales. Under the non-tax category, the significant contribution will come from the transfer of dividend and profit transfer from PHEP-II.

Table 4.1 Medium-Term Resources Outlook

Nu. in million

Particular	FY 2025-26	FY 2026-27	FY 2027-28
	Estimates	Projection	
Total Resources	97,772.614	105,984.422	107,329.353
1. Domestic Revenue	70,462.130	74,893.450	79,059.722
a. Tax	46,939.248	49,908.986	52,815.434
b. Non-tax	23,522.882	24,984.464	26,244.288
2. Other receipts	1,895.266	1,877.190	1,962.409
3. Grants	25,415.218	29,213.782	26,307.222

4.2 Resource Estimates for FY 2025-26:

The total resource estimate for FY 2025-26 is Nu. 97,772.6 million, with domestic revenue accounting for 72.1 percent, external grants contributing 26 percent, and other receipts making up 1.9 percent. This represents a 17.2 percent increase from the revised resource estimates of Nu. 83,434.8 million

for FY 2024-25. The anticipated increase in resources is mainly driven by a rise in external grants and improved tax performance. The implementation of fiscal reforms, particularly the introduction of GST replacing the Current Bhutan Sales Tax, and strengthened tax administration, is expected to enhance revenue collection. Furthermore, increased dividends from SOEs and profit transfers from major hydropower projects will further bolster the government's financial position, ensuring a stable and sustainable resource base for development priorities.

Table 4.2 Summary of Resources for the FY 2025-26

Source of Finance	<i>Nu. in million</i>
TOTAL RESOURCES	97,772.614
I. INTERNAL RESOURCES	72,357.396
i. Domestic Revenue	70,462.130
a. Tax	46,939.248
b. Non- Tax	23,522.882
ii. Other Receipts	1,895.266
II. GRANTS	25,415.218
i. Program Grants	1,000.000
ii. Project-tied Grants	24,415.218
a. GoI	18,885.874
b. Others	5,529.344

4.2.1 Domestic Revenue:

Total estimated domestic revenue for FY 2025-26 is Nu. 70,462.1 million. The projected growth is expected from higher tax and non-tax revenue. From tax revenue, the increase is projected from CIT, BIT, PIT, Royalties from hydropower and tourism. The increase in tax revenue is also projected from GST, which will be introduced from FY 2025-26 replacing the current Bhutan Sales Tax (BST). The increase in non-tax revenue is projected to increase from dividend and interest receipt from corporations.

Table 4.3 Summary of Domestic Revenue

Nu. in million

Sl. No	Particulars	FY 2025/26 (Projection)
	Revenue	70,462.130
A	Taxes	46,939.248
1	Taxes on Income, Profits and Capital Gains	20,851.381
	i. Corporate Tax	15,425.450
	ii. Business Income Tax	1,975.688
	iii. Personal Income Tax	3,450.243
2	Taxes on Property	936.135
	i. Recurrent Taxes on immovable property (Dzongkhag Municipality)	761.306
	ii. Taxes on Capital Transactions	174.829
3	Taxes on Goods and Services	13,134.498
	i. Sales Tax	10,880.000
	ii. Excise Duty	854.090
	iii. Green Tax	1,400.408
4	Taxes on permission to use goods or perform activities	680.914
5	Taxes on International Trade and Transactions	865.963
6	Other Taxes	10,470.357
	i. Royalty	10,326.307
	ii. Miscellaneous collection	144.050
B	Other Revenue	20,314.221
1	Property Income	20,314.221
	i. Interest receipt from corporation	8,041.448
	ii. Dividend	6,600.821
	iii. Withdrawals from income of quasi-corporations	5,537.837
	iv. Miscellaneous Rent	134.115
2	Social Contributions	-
C	Current Revenue from Government Agencies	2,211.691
1	Administrative Fees & Charges	1,531.231
2	Sale of Goods and Commodities	680.460
D	Capital Revenue from Government Agencies	996.970

4.2.2 Grants:

For FY 2025-26, the external grant is estimated at Nu. 25,415.2 million which comprises project-tied and program grants from the development partners. Of the total grants, GoI-PTA continues to be the major development partner followed by the World Bank, ADB and other development partners.

Table 4.4 Summary of Grants for FY 2025-26

Sl. No.	Funding Agency	<i>Nu. in million</i>
1	Asian Development Bank (ADB)	862.728
2	Bhutan Foundation (BF)	159.841
3	European Union (EU)	482.757
4	Food and Agriculture Organization (FAO)	61.259
5	Global Fund to Fight Aids, Tuberculosis & Malaria (GFATM)	74.250
6	Government of India (GOI) - Program Grant	1,000.000
7	Government of India (GOI) - Project-tied Grant	18,885.874
8	Green Climate Fund (GCF)	176.132
9	International Fund for Agricultural Development (IFAD)	320.572
10	Private Donors/Bhutan for Life	90.657
11	SAARC Development Fund (SDF)	16.600
12	Swiss Development Organization (HELVETAS)	26.510
13	The Netherlands	16.973
14	UN Environmental Program (UNEP)	115.828
15	UN Population Fund (UNFPA)	16.708
16	United Nations Children's Fund (UNICEF)	139.062
17	World Bank (WB)	1,472.341
18	World Food Program (WFP)	8.490
19	World Health Organization (WHO)	116.158
20	Other Development Partners	1,372.478
TOTAL		25,415.218

Chapter 5: Budget Appropriation FY 2025-26

5.1 Medium Term Budget Framework:

As per the Medium-Term Budget Framework (MTBF) updated during the FY 2025-26 budget formulation, the capital allocation in FY 2025-26 is projected to be at the peak, constituting approximately 25 percent of the total outlay for the 13th FYP. The current budget estimates for subsequent two years indicate a steady growth trend with an average annual increase of around 3 percent. This growth is primarily driven by a roughly 2 percent increase in salary & wages, along with considerations for annual inflationary adjustments.

The MTBF by broad functional category is presented in **Table 5.1** below:

Table 5.1 Medium-Term Budget Framework

Nu. in million

Sl. No	Agency Category	FY 2025-26 Estimates		FY 2026-27 Projection		FY 2027-28 Projection	
		Current	Capital	Current	Capital	Current	Capital
1	Judiciary	364.390	34.579	370.034	29.400	375.834	26.850
2	Constitutional Bodies	473.147	878.189	481.773	542.136	490.679	495.114
3	Ministries	25,240.324	24,740.640	25,561.915	28,290.641	26,860.038	26,932.780
4	Autonomous Agencies	17,442.006	23,325.265	17,836.282	12,820.448	18,245.494	7,420.934
5	Local Government	14,961.350	11,751.412	15,175.124	13,641.072	15,394.244	13,826.419
Total		58,481.217	60,730.085	59,425.128	55,323.697	61,366.290	48,702.097

5.2 Budget Estimates for FY 2025-26:

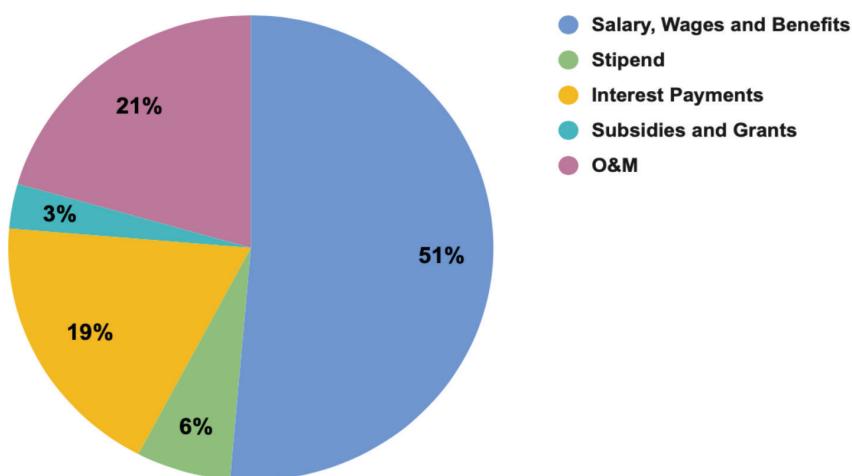
The total estimated appropriation for FY 2025-26 amounts to Nu. 138,500.7 million, accounting for 42.2 percent of current expenditure, 43.8 percent for capital expenditure, 1.4 percent for lending, and 12.6 percent for repayment. With overall resources projected at Nu. 97,772.6 million, the fiscal deficit as a percent of GDP is 6.2. The table below provides a summary of the Budget Appropriations.

Table 5.2 Summary of Budget Appropriation for FY 2025-26*Nu. in million*

Particulars	Amount
Expenditure	119,211.302
Current Expenditure	58,481.217
Capital Expenditure	60,730.085
Repayment	17,425.216
Internal	4,000.000
External	13,425.216
On Lending	1,864.145
Grand Total	138,500.663

5.2.1 Recurrent Expenditure:

The recurrent expenditure for FY 2025–26 is estimated at Nu. 58,481.2 million, an increase by 15.1 percent compared to FY 2024-25 approved budget. The overall increase in recurrent expenditure is largely driven by a 52.6 percent rise in interest payments, application of about 4.9 percent inflation index, revision of stipend for schools and Dratshang, and reclassification of those programs whose spending are of current nature but reflected under capital outlay of the 13th FYP.

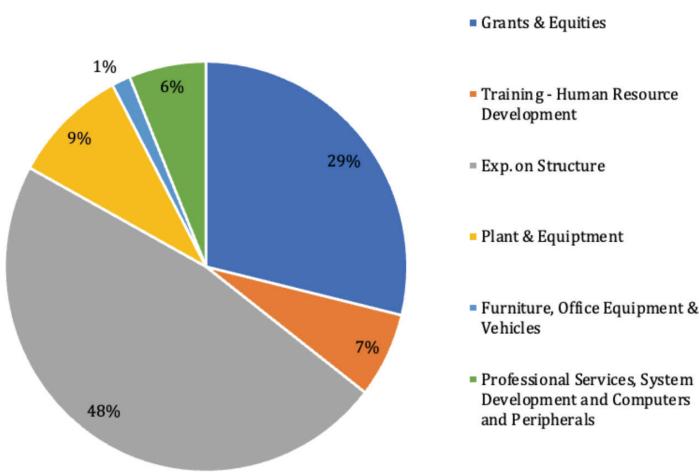
Figure 5.1 Composition of Recurrent Expenditure

5.2.2 Capital Expenditure:

The estimated capital expenditure is Nu. 60,730.1 million for FY 2025-26, which is an increase of 58.8 percent as compared to FY 2024-25 approved estimates. This significant increase reflects the implementation readiness indicated by the budgetary agencies and confirmed external funding. Of the total capital expenditure, 42 percent constitutes grant support from development partners, 35 percent through borrowings and 23 percent through the surplus generated from internal resources after adjusting for recurrent expenditure.

To ensure alignment of FY 2025-26 budget to the overarching 13th FYP goals and objectives, the formulation of Annual Work Plan and identification of Key Deliverables for the FY were introduced to enable the budgetary agencies to prepare a realistic and implementable annual budget plan. This is expected to address time and cost overruns.

Figure 5.2 Composition of Capital Expenditure



5.2.3 On-Lending:

The total estimated on-lending for FY 2025-26 is Nu. 1,864.2 million. Of the total estimated on-lending, Nu. 782 million pertains to ADB loan to Phuentsholing township development project, Nu. 810.7 million for ADB loan on green and resilient affordable housing sector project and Nu. 271.4 million for ADB loan for green power readiness enhancement project.

5.2.4 Repayment:

The total principal repayment for FY 2025-26 is estimated at Nu. 17,425.2 million. This is a significant leap as compared to the approved budget for FY 2024-25 mainly due to the repayment of Nu. 7,377.7 million for PHEP-II, which starts from FY 2025-26 and the RGoB Bond Series 0011 of Nu. 4,000 million maturing in November 2025.

5.3 Sector Allocation:

The Social sector continues to receive the highest allocation amounting to Nu. 40,903.3 million corresponding to 30 percent, followed by economic and public services with Nu. 35,224 million and National Debt Services with Nu. 30,197.3 million constituting about 22 percent of the total budget appropriation. The details of the sector allocation are presented as in the table below:

Table 5.3 Summary of Sector Allocation for FY 2025-26

Nu. in million

Sector	Current	Capital	Total	% Share
Social Services	21,628.113	19,275.170	40,903.283	30%
Health	7,977.114	4,932.718	12,909.832	10%
Education	13,650.999	14,342.452	27,993.452	20%
Economic & Public Services	8,203.067	27,020.960	35,224.027	25%
Renewable Natural Resources	4,080.887	2,857.569	6,938.456	5%
Mining & Manufacturing Industries	426.256	2,389.459	2,815.715	2%
Transport	193.762	9,890.589	10,084.351	7%
Housing & Community	2,664.949	9,000.930	11,665.879	8%
Communications & Technology	832.065	2,126.925	2,958.990	2%
Energy	5.148	755.488	760.636	1%
Religion & Cultural Services	1,311.636	1,493.517	2,805.154	2%
Law & Order Services	4,205.632	1,497.913	5,703.545	4%
General Public Services	12,224.837	11,442.524	23,667.361	17%
National Debt Services	10,907.932	19,289.361	30,197.293	22%
Debt Servicing	10,907.932	17,425.216	28,333.148	21%
Lending		1,864.145	1,864.145	1%
Total	58,481.217	80,019.446	138,500.663	100%

5.3.1 Social Services:

5.3.1.1 Health Sector:

A total of Nu. 12,909.8 million has been allocated to the health sector for the FY. The annual key deliverables include enhancing diagnostic and treatment capabilities, with Nu. 1,155 million prioritized for the procurement of a CT scan and MRI machine for JDWNRH. The sector remains focused on providing people-centered healthcare services, including the availability of ambulance services. To support this essential healthcare delivery, Nu. 249.5 million has been allocated for the procurement of Mobile Medical Units and ambulances.

To improve the nationwide health outcomes, the Accelerating Maternal and Child Health Program will be continued with an allocation of Nu. 72 million. This is complemented by the completion of the construction of the 65 bedded Mother and Child Hospital at Monggar with a budget of Nu. 267 million and implement targeted interventions for timely diagnosis of communicable diseases for high-risk individuals and high burden Dzongkhags with Nu. 44.9 million. The Ministry of Health also aims to complete the malaria elimination certification process in FY 2025-26, for which Nu. 21.9 million has been provisioned. In order to enhance services for mental health in the country, The PEMA Secretariat will complete the ongoing construction of the 60 bedded wellbeing hospital with an allocation of Nu. 71.9 million. To cultivate a skilled and responsive health workforce, ongoing efforts to bridge clinical workforce gaps, including long-term training and continuous medical education, will be supported with a dedicated budget of Nu. 80 million.

5.3.1.2 Education Sector:

Towards ensuring that every Bhutanese citizen benefit from an education system that blends tradition with modern skills, the sector continues to prioritize Education Transformation and 21st Century Workforce Skilling. Accordingly, Nu. 27,993.5 million is provisioned for the education sector.

Amongst several deliverables identified for FY 2025-26, some of the key deliverables include Nu.1,479.3 million for achieving 70 percent completion of ongoing redevelopment of 20 Central Schools, Nu. 47.5 million to complete Phase II of the Recovery School in Kanglung and Nu. 45 million for the establishment of an international school.

Recognizing the need to equip teachers and education leaders with necessary skills and capacity, Nu. 344.9 million is allocated for providing centralized 40-Hour Professional Development (PD). This allocation also covers the M.Ed programs offered in Paro and Samtse College of Education, aimed at upgrading qualification and improving knowledge contents to align with current global trends and standards.

To complete 40 percent of on-going augmentation of existing technical training institutes (TTI-Chumey, TTI-Samthang, TTI-Rangjung, RDTC-Zhemgang), Nu. 200 million is allocated while Nu. 222.8 million is provisioned for the enrollment of 3,181 youth job seekers in TTIs.

On the tertiary education front, a budget of Nu. 623.6 million is provisioned for modernizing academic infrastructure, including construction of new campuses, hostels, and state-of-the-art facilities. Similarly, a sum of Nu. 67.3 million is earmarked for maximizing digital technology for improved teaching and learning outcomes.

5.3.2 Economic and Public Services:

5.3.2.1 Renewable Natural Resources (RNR) Sector:

With the objective of increasing primary sector GDP from Nu. 31 billion in 2023 to Nu. 50 billion by 2029, the RNR sector continues to focus on high value agriculture and livestock production, processing and marketing and sustainable forest management Nu. 6,938.5 million is allocated.

The key deliverables in FY 2025-26 under MoAL include establishing two commercial Chirup farms in Samdrupjongkhar (Samrang and Pemathang), two mega strawberry commercial farms in Wangduephodrang and Paro, and continue the implementation of Yarjuggang agriculture commercial farm for which Nu. 185.3 million is provisioned. Further, Nu. 380.3 million provisioned to facilitate and support production of essential cereals and vegetables includes Nu. 310.7 million for construction of irrigation channels in nine Dzongkhags viz. Bumthang, Punakha, Samtse, Dagana, Paro, Monggar, Chhukha, Tsirang and Trashigang. In addition, Nu. 90 million is allocated for implementing the fifth phase of Million Fruit Trees, Nu. 56.9 million for Strengthening Animal Health Service, Nu. 54.9 million for improving domestic markets for agricultural commodities and Nu. 879.7 million for chain-link fencing in various Chiwogs.

Nu. 57.1 million is provisioned to support the submission of Third and Fourth nationally determined contributions to the UNFCCC, Nu. 68.9 million to support various activities towards increasing the Energy & Natural Resources sector contribution to GDP and Nu. 14 million to conduct water resources inventory for Sarpang, Tsirang, Samtse, and Dagana.

5.3.2.2 Mining and Manufacturing Industries:

To further bolster the mining and manufacturing sector, Nu. 2,815.7 million is allocated. Of the total, Nu. 867.2 million is earmarked for continuation of development of Industrial Parks in Norbugang & Pasakha and Dry ports in Nganglam & Pasakha, Nu. 352.2 million for completing the Airborne Magnetic Survey in the southern belt and Thimphu-Paro region and Nu. 116.8 million to facilitate fuel stocking and operationalization of the Garmani Fuel Depot.

In the tourism industry, the annual target of attracting 250,000 tourist arrivals is anticipated to be met in FY 2025-26 through various interventions supported by an allocation of Nu. 207.9 million and Nu. 49.5 million designated for airfare subsidies.

Nu. 531.3 million has been allocated to engage 3,250 youth in various programs, employ 2,500 youth through the Overseas Employment Program, support the establishment of 2,000 new industries (including 1,950 CSIs and 50 Medium and Large industries), and upgrade 30 existing industries, creating employment for 5,500 people across production, manufacturing, services, tourism, and creative industries. This allocation will also facilitate 250 job placements and provide access to investment opportunities in the capital market.

5.3.2.3 Transport Sector:

The budget allocation of Nu. 10,084.4 million for the Transport Sector is aimed at enhancing the livability, accessibility, and connectivity of settlements across the country. The key initiatives encompass a comprehensive suite of infrastructure development that aligns with the goal of enhancing productivity, diversifying markets and products, and driving sustainable economic growth. Key deliverables for the Surface Transport sector comprise substantial investments in road infrastructure and bridges. These include Nu. 459 million allocated for routine maintenance of Dzongkhag roads, Primary National

Highway (PNH), Secondary National Highway (SNH) and access roads, Nu. 1,665.9 million for upgrading Dzongkhag roads, Nu. 1,566.7 million for the enhancement of the PNH, Nu. 895.5 million for improving the SNH, and Nu. 114.6 million for bridge strengthening. Additionally, Nu. 159.5 million is earmarked to promote sustainable and low-emission transportation, with a focus on accelerating e-mobility adoption across the country.

To enhance flight safety operations and strengthen air connectivity, a sum of Nu. 75.9 million is provisioned for expansion and improvement of Paro International Airport.

5.3.2.4 Housing and Community Sector:

In tandem with transport infrastructure, focus is also given to essential urban services. Nu. 11,665.9 million allocated for the sector includes Nu. 442.6 million for the construction of an integrated drinking water and irrigation scheme at Zhemgang and Hetshotsamchu in Wangdue Phodrang, Nu. 280 million is allocated to strengthen transport and mobility which is exclusive of key activities such as implementation of bus prioritization services and Changlam Public Transport Key Corridors. In addition, Nu. 160 million is allocated for developing green infrastructure and open spaces in Thimphu viz. Tshalumaphy Park, Olakha Neighbourhood Park, Redevelopment of Takin Reserve & Clock Tower Square, Nu. 200 million for design and construction of government office complex and Nu. 240 million for implementation of DRIVE project for Gelephu Flood Protection.

5.3.2.5 Communications and Technology Sector:

A total of Nu. 2,958.9 million is allocated to the communications and technology sector to drive progress toward a high-income GNH economy through digital transformation and strategic investments.

This includes Nu. 343.7 million to support reduction of international internet bandwidth pricing below USD 4.50 per Mbps per month and ensure 50 percent reduction in internet charges by end of June 2026. In addition, Nu. 118.2 million is allocated to transform the top 60 G2C public services and develop at least five high-quality digital applications, while enhancing existing digital systems across four government clusters.

The Rural Communication Project Phase VII and VIII will be implemented with a total funding of Nu. 98 million under the Universal Service Fund to enhance connectivity for 255 households across seven Dzongkhags: Wangduephodrang, Paro, Bumthang, Samtse, Chhukha, Punakha and Gasa.

5.3.2.6 Energy Sector:

In alignment with national goals to increase energy generation capacity, diversify the energy mix, and enhance energy security, the energy sector has set ambitious targets to significantly increase renewable energy capacity, specifically wind from 2.1 MWp to 23 MWp and solar from 2.1 MWp to 467 MWp. The sector also aims to increase its GDP contribution from Nu. 29 billion to Nu. 71.4 billion, improve electricity accessibility and reliability, and reduce fossil fuel consumption.

To support these targets, Nu. 760.6 million has been provisioned for key initiatives, including:

- Nu. 308.1 million for the completion of the 22.38 MWp Sephu Solar Project that includes five additional MWp;
- Nu. 337.3 million for the development of a 500 KW Hydropower Project at Lunana;
- Nu. 70.1 million for commissioning 200 units of 3 KWp grid-tied Solar PV (Prosumers) at Zhemgang; and
- Nu. 10.4 million for carrying out feasibility studies of potential solar projects.

5.3.3 Religion and Cultural Services:

To support the preservation of spiritual heritage and strengthen monastic institutions, a total budget of Nu. 2,805.2 million has been allocated. Of the total, Nu. 291.6 million is provisioned under Dratshang Lhentshog to support improvement of accommodation facilities and restoration of lhakhangs.

Recognizing the importance of preserving cultural heritage and traditions, a total allocation of Nu. 646.6 million is earmarked to implement significant projects such as redevelopment of Dechenphodrang Lobdra, Sarpang Dzong construction, conservation of Zhemgang Dzong, extension of Trashiyangtse Dzong, restoration of Sangchoekhor, restoration of Rigsum and Tango Goenpas, construction of Monastic complex in Barshong, Thimphu and construction of Bhutan Monastery in Lumbini, Nepal.

5.3.4 Law and Order Services:

To ensure safety, security and maintain public confidence, the sector allocation of Nu. 5,703.5 million includes initiatives implemented by Royal Bhutan Police (RBP), Judiciary, Department of Law and Order under the Ministry of Home Affairs and Office of the Attorney General.

The allocation of Nu. 370.8 million for the RBP will support improving police services through infrastructure development, reduce crime rates through targeted interventions and implementation of reformatory programmes.

Nu. 71 million provisioned under the Department of Law and Order is expected to enhance law enforcement capabilities through specialized training and advancing infrastructure. Such advancements are poised to cultivate a stable and secure foundation for long-term societal well-being.

Considering that the Royal Court of Justice plays an important role in upholding the rule of law, Nu. 34.6 million is allocated to implement programs that support and promote access to fair and timely legal services.

5.3.5 General Public Services:

The allocation of Nu. 23,667.4 million under the General Public Services covers funding for core functions of the government that support the overall administration and operation of the public sector. This includes allocation for Constitutional Bodies, legislative branches such as National Assembly and National Council, Foreign Affairs, Local Government and sectors that are oriented towards enhancing the effective and efficient public service delivery.

Some of the key activities include integration of Bhutan Integrated Revenue Management System with mBOB for faster revenue collection by all revenue generating government agencies, integration of Property Tax System with eSakor for real-time transmission of land data from the National Land Commission and Thromde to the Department of Revenue and Customs, MoF enhancement of eGP system in line with the revised Procurement Rules and Regulations 2023.

These interventions are expected to improve operational efficiency, transparency, and service delivery across public sector institutions.

Human Resource Development:

In an effort to build a highly skilled, adaptable, and motivated public sector, Nu. 4,065.8 million has been earmarked to meet critical Human Resource Development (HRD) priorities across all the budgetary bodies. The funding will be directed towards a range of initiatives, including specialized professional training, leadership enhancement programs, capacity-building exercises, scholarship opportunities for advanced studies, and strategic talent development efforts. These initiatives aim to enhance institutional capabilities and ensure that the public sector is equipped to meet emerging challenges and drive national progress.

Sports:

Sports play a vital role in Bhutan, contributing to the overall well-being, social cohesion, and national development.

To foster discipline, teamwork, and resilience, which are key to both personal growth and community building, a sum of Nu. 630.7 million is allocated for sporting activities in the country. Of the total allocation, Nu. 616.9 million is allocated to Bhutan Olympic Committee (BOC) and the remaining budget is provisioned for the Department of Education Programmes. The major activities under BOC include development of the cricket & shooting federation facilities at Rama and construction of Iconic Taekwondo Building amounting to Nu. 150 million and Nu. 351.9 million respectively.

Local Government:

For FY 2025–26, a total budget of Nu. 38,034.2 million has been earmarked for Local Governments (LGs) comprising Dzongkhags, Gewogs, and Thromdes. This allocation includes annual block grants, project tied-through RGoB and external financing and centrally executed programs benefitting LGs, as summarized in the table below:

Table 5.4 Summary of Budget Allocation for LGs

Nu. in million

Sl. No.	Name of LG	Current	Capital					Total Allocation (F)=A+E
			Block (A)	Block RGoB (B)	Project - Tied (C)		Centrally Executed (Capital) (D)	
					External	RGoB		
1	Dzongkhags	11,503.283	2,000.000	2,364.384	114.902	5,760.523	10,239.809	21,743.092
2	Gewogs	909.690	2,600.000	2,057.606	0.000	3,992.306	8,649.912	9,559.602
3	Thromdes	2,548.377	2,200.000	400.075	14.445	1,568.618	4,183.138	6,731.515
	Total	14,961.350	6,800.000	4,822.065	129.347	11,321.447	23,072.859	38,034.209

Note: Project-Tied External includes support from GoI (HICDP/PTA) and other development partners. Project-Tied RGoB includes allocations under the education sector for improvement of infrastructure and facilities from the Ministry of Education and Skills Development (MoESD) to LGs.

Current Budget: Of the total, Nu. 14,961.4 million is allocated as current block grant to LGs, primarily to meet the mandatory and controllable recurring expenses. Among the LGs, Dzongkhags are allocated the highest share of the current budget at Nu. 11,503.3 million, in view of broader administrative responsibilities and service delivery mandates. This is followed by Thromdes with an allocation of Nu. 2,548.4 million to support municipal functions and Gewogs, at Nu. 909.7 million to sustain grassroots governance and public service operations.

Capital Budget: A total amount of Nu. 6,800 million corresponding to 20 percent of RAF outlay is allocated as RGoB capital block grant to enable LGs to implement locally-prioritized development activities aligned with the 13th FYPs Local Government Key Result Areas (LGKRAs) and Nu. 129.3 million as RGoB project-tied to implement prioritized activities under the education sector.

Further, to promote optimal utilization of limited resources for impactful developmental outcomes, 30 percent of the FY 2025-26 RGoB capital block grant to Gewogs shall be released upon assessment of performance of FY 2024-25 capital block grant. This is as per the Section 9 of the Budget Appropriation Act for the FY 2024-25. Similarly, capital grants for FY 2026-27 will also be performance-contingent, based on achievement of Key Performance Indicators (KPIs) and the budget utilization efficiency in FY 2025-26.

Project-Tied External Assistance: The project-tied external capital allocation for FY 2025-26 is Nu. 4,822.1 million, including:

- Nu. 2,591.8 million under High Impact Community Development Projects (HICDP) for infrastructure enhancement;
- Nu. 879.7 million for chain-link fencing in Chiwogs, supported through Project Tied Assistance (GoI - PTA); and
- Nu. 1,350.6 million for donor-supported projects under approved Annual Work Plans (AWPs).

These resources support priority development in rural connectivity, irrigation, water supply, sanitation, flood mitigation, and tourism infrastructure.

Centrally Executed: An additional Nu. 11,321.4 million has been provisioned for centrally executed capital programs targeting LGs. Implemented through central agencies, this approach leverages sectoral expertise and ensures effective execution, quality control, and alignment with national development objectives while directly benefiting LGs.

As such, the total budget allocation of Nu. 38,034.2 million to LGs represents 31.9 percent of the total national budget. Of this, Nu. 23,072.9 million or 60.7 percent constitutes capital expenditure, reflecting the Government's continued focus on resilient infrastructure development and local economic transformation. The total capital allocation with centrally executed activities accounts for 32 percent of 13th FYP outlay of Nu. 72,000 million, highlighting the prioritization of local development within the national fiscal framework.

Priority Development Fund (PDF):

In line with the Resolutions of the 1st and 2nd Sessions of the Fourth Parliament to introduce PDF, Nu. 2 million per constituency per annum is proposed to be established and drawn from Gewog's 13th FYP Annual Grants Outlay. Accordingly, Nu. 94 million will be adjusted within the capital grants of Nu. 2,600 million for FY 2025-26. The implementation guidelines will be finalized upon Parliamentary approval for introduction of PDF.

Legislative, Constitutional Bodies and Gyalsung:

National Assembly of Bhutan: For the FY 2025–26, the National Assembly of Bhutan has been allocated a total budget of Nu. 169.1 million, with Nu. 164.2 million allocated for recurrent expenses and Nu. 4.9 million for capital expenditure. Key priorities include strengthening legislative functions through stakeholder engagement and the development of scrutiny guidelines,

enhancing public representation via constituency visits and digital platforms, and fostering parliamentary diplomacy through regional and international collaboration.

National Council of Bhutan: For FY 2025–26, the National Council of Bhutan (NCB) has been allocated a total budget of Nu. 114.5 million, comprising Nu. 110.4 million for recurrent expenses and Nu. 4.1 million for capital expenditure. The NCB's priorities for FY 2025–26 focus on strengthening legislative functions through stakeholder engagement, oversight, enhancing public representation via constituency visits, and advancing parliamentary diplomacy through international participation. Additionally, NCB will also emphasize capacity building for Members and staff, and increased youth outreach.

Anti-Corruption Commission: The Anti-Corruption Commission's annual activities for FY 2025–26 is strategically aligned with the broader objectives of the 13th FYP, particularly in the areas of governance, justice, and national integrity.

The Anti-Corruption Commission is allocated a budget of Nu. 178.4 million, of which Nu. 137.8 million is recurrent and Nu. 40.6 million is capital. The allocation is expected to reinforce the Commission's mandate and enhance national integrity, strengthen the anti-corruption ecosystem through a holistic and multi-dimensional approach towards a corruption-free society.

Election Commission of Bhutan: To strengthen the electoral process and enhance the efficiency, transparency, and inclusivity of the electoral system, a total budget of Nu. 109.6 million has been allocated to the Election Commission of Bhutan.

Of the total, Nu. 49.2 million is recurrent and Nu. 60.4 million for capital program initiatives. The key allocation includes Nu. 45.5 million for the procurement of electronic voting machines, Nu. 2.8 million for the implementation of civic voter education programs, Nu. 2 million for the development of a comprehensive Election Management System integrated with the Bhutan National Digital Identity.

Nu. 20 million has been earmarked under the General Reserve for the conduct of bye-elections, and Nu. 50 million for the conduct of Thromde elections.

Royal Audit Authority: As the constitutional oversight body mandated to audit and ensure the economy, efficiency, and effectiveness in the use of public resources, a total budget of Nu. 229.8 million is provisioned. Of the total, Nu. 207.9 million is for recurrent and Nu. 21.9 million for capital. The allocation includes Nu. 16.8 million for capacity building of Auditors in the Association of Certified Chartered Accountants and Nu. 3 million for outsourcing of audit services.

Royal Civil Service Commission: In pursuit of the vision to build an Enlightened, Entrepreneurial, Bureaucracy (E2B) and in alignment with the Civil Service Strategic Roadmap (2025–2035), the Royal Civil Service Commission (RCSC) is allocated with a total budget of Nu. 833.4 million to drive transformation across the civil service. Out of the total budget, Nu. 78.2 million is allocated for recurrent expenses, while Nu. 755.2 million is allocated for capital initiatives.

The key priorities aim to address the critical skills shortages, strengthen performance and existing talent management systems, leadership development, and enhance innovation and service improvement. The budget allocation in these areas is expected to prepare the civil service to meet the demands of national transformation and long-term convergence under the Diamond Strategy.

Gyalsung: To empower Bhutanese youth as active contributors to nation-building and strengthen national security, unity, and harmony, the government has allocated Nu. 12,590.1 million, comprising Nu. 1,642.8 million for recurrent and Nu. 10,947.3 million for capital expenditures.

To enable youth to realize their full potential and serve the Tsa-Wa-Sum through targeted interventions, the capital budget includes Nu. 332.3 million for community security skills, Nu. 292 million for infrastructure such as watch towers and fencing, and Nu. 323 million for basic military training, thereby fostering a generation of responsible, capable, and patriotic citizens.

5.4 Transfers: Grant and Subsidy:

Transfers in the form of grants and subsidies to the State-Owned Enterprises (SOEs) and other public entities account for 1 percent of total expenditure outlay.

Grant: For FY 2025-26, Nu. 201.9 million is allocated as grant to non-budgetary agencies which includes Nu. 10.5 million for the Bhutan Chamber of Commerce and Industry to promote private sector development, Nu. 4.807 million to the Bar Council of Bhutan, Nu. 13.9 million to the Alternative Dispute Resolution Centre and Nu. 9.2 million to Bhutan Red Cross Society to meet the pay allowances and operational expenses of these Secretariat offices, enabling them to carry out their mandates in an efficient and effective manner. Nu. 17.5 million is also allocated from GoI-PTA to the Bhutan Chamber of Commerce and Industry for revitalizing the private sector through investments in trade facilitation measures.

Subsidy: The subsidies are categorized into operational subsidy, interest subsidy, rural life/house insurance subsidy and subsidy for domestic power tariff (details are presented in **Table 5.5**). The operational subsidies are provided to SOEs to meet operational expenses while interest subsidy is extended to the corporate sector to ease the burden of debt repayment for implementing specific social mandates entrusted by the Government.

Table 5.5 Details of Grant and Subsidy for FY 2025-26

<i>Nu. in million</i>				
Sl.No.	Particulars	Recurrent	Capital	Total
A: GRANT				
1	Druk Gyalpo Relief Fund	-	100.000	100.000
2	Druk Gyalpo Institute	46.000	-	46.000
3	Bhutan Chamber of Commerce and Industry (BCCI)	10.500	17.500	28.000
4	Bar Council of Bhutan	3.307	1.500	4.807
5	Bhutan Alternative Dispute Resolution Center (ADRC)	8.984	4.957	13.941
6	Bhutan Red Cross Society	9.178	-	9.178
Total Grants (A)		77.969	123.957	201.926
B: SUBSIDY				
1	Bhutan Broadcasting Services Corporation Limited	225.858	52.507	278.365
2	Operational subsidy to Community Centers	71.883	-	71.883
3	City Bus Services	64.037	-	64.037
4	DSP Solar Initiative Phase I and Phase II	5.148	-	5.148
Sub-total Operational Subsidy		366.926	52.507	419.433
1	Interest subsidy for purchase of ATR 42 600	42.845	-	42.845

Sl.No.	Particulars	Recurrent	Capital	Total
2	Interest subsidy for the establishment of Integrated Agro Processing Plant (Lingmithang Monggar)	9.543	-	9.543
3	Interest subsidy for Phuentsholing Housing Complex, NHDCL	50.120	-	50.120
	Sub-total Interest Subsidy	102.508	0.000	102.508
1	Rural House Insurance Scheme	16.467		16.467
2	Rural Life Insurance Scheme	70.100		70.100
3	Domestic Power Tariff	378.118	-	378.118
	Sub-total Insurance/Domestic Power Subsidy	464.685	0.000	464.685
	Total Subsidy (B)	934.119	52.507	986.626
	Grand Total (A+B)	1,012.088	176.464	1,188.552

5.5 Economic Stimulus Program (ESP):

Aimed at revitalizing the economy and fostering inclusive growth, the Economic Stimulus Program (ESP) was launched in FY 2023–24 with a total committed outlay of Nu. 15 billion. This strategic initiative targets priority sectors including agriculture and livestock development, tourism, cottage and small industries, incubation and startup centers, the De-suung Skilling Program, the Film Association Fund, youth employment, education and training, and the Reinvigoration Fund.

Reflecting the government's continued commitment to economic recovery, job creation, and private sector development, Nu. 3,643.8 million has been allocated to these sectors as of May 8, 2025. In addition, Nu. 3,908.7 million is provisioned for FY 2025-26. The programs initiated through ESP is tabulated below:

Table 5.6 Details of Economic Stimulus Program Budget Allocation
Nu. in million

Sl. No.	Thematic Area	Revised Budget FY 2024-25**	FY 2025-26
1	De-suung Skilling Program	1,000.000*	1,000.000
2	Agriculture and Livestock Business Development	497.849	281.920
3	Support to One Gewog One Product (OGOP)	126.640	300.000

SI. No.	Thematic Area	Revised Budget FY 2024-25**	FY 2025-26
4	Concessional Credit Line	1,149.280	1,206.990
5	Business Reinvigoration Fund	70.000	70.000
6	Tourism Development	160.133*	390.058
7	Investment Promotion	9.424	8.000
8	Cottage and Small Industries Development	8.000	10.000
9	Creative Industry Development	324.500	161.950
10	Incubation/Start Up Center for Entrepreneur	67.500	128.700
11	Youth Employment, Education and Training	208.930	339.544
Total (Thematic Area)		3,622.256	3,897.162
12	ESP Secretariat	21.502	11.562
Grand Total		3,643.758	3,908.724

* Nu. 1,000 million and Nu. 4 million expensed in the FY 2023-24 for the De-suung Skilling Program and for investment roadshows respectively.

** Revised budget FY 2024-25 as of May 8, 2025.

5.6 General Reserve:

The General Reserve (GR) is maintained under the Ministry of Finance to address unforeseen and unavoidable expenses that may arise after the budget has been approved. For FY 2025-26, a provision of Nu. 4,312.5 million has been allocated representing 3.1 percent of the total budget appropriation. Of this amount, Nu. 2,577.5 million is allocated under the current head and Nu. 1,735 million is designated for capital expenditures.

Any transfer from the GR must meet established criteria and follow formal procedures, including the conditions specified in the Guidelines for General Reserve 2022.

The detailed breakdown is provided in the table below.

Table 5.7 Details of General Reserve*Nu. in million*

Particulars	Current	Capital	Total
Remuneration for Critical Unforeseen Recruitment/ Establishment and Leave Encashment	713.000	30.000	743.000
Retirement Benefits	150.000	-	150.000
Hospitality and Entertainment	50.000	-	50.000
Third Country Travel	50.000	-	50.000
National Events	550.000	250.000	800.000
Ad-hoc works	500.000	1,000.000	1,500.000
Rehabilitation Programme	-	70.000	70.000
Disaster Contingency	200.000	385.000	585.000
Bye Election	20.000	-	20.000
Thromde Election	50.000		50.000
Rural Life Insurance Scheme	263.000		263.000
Third Child Policy	31.500	-	31.500
Total	2,577.500	1,735.000	4,312.500

5.7 Gender Responsive Budgeting:

The RGoB remains committed and continues to integrate a gender perspective into national developmental initiatives and promote gender equality across the key sectors. The total budget of Nu. 562.5 million is allocated to implement various gender related programs and activities under different agencies.

The allocations are for accelerating maternal and child health programs, gender mainstreaming and capacity development, support women's economic empowerment, and strengthen mechanisms for preventing Gender-Based Violence (GBV).

These targeted interventions aim to further strengthen the inclusion, protection, and empowerment of women and vulnerable groups, ensuring that gender equality remains a central pillar of its development agenda. The details of activities are provided as Annexure 6 (XIII).

5.8 Climate Co-Benefits:

To realize RGoB's commitment to a low-carbon, climate-resilient development pathway and foster green growth, the integration of environmental sustainability, climate change initiatives, and disaster risk reduction into all facets of development planning and execution has been identified as a key priority. In this context, both climate change mitigation and adaptation remain urgent national imperatives to ensure sustainable development and enhance resilience to emerging risks.

For FY 2025-26, a total allocation of Nu. 9,092.4 million has been earmarked across various sectors to support climate-related initiatives focusing on mitigation, adaptation, and creating an enabling environment aimed at strengthening climate resilience and advancing the Sustainable Development Goals.

Table 5.8 Climate Co-Benefits Related Allocation for FY 2025-26

Nu. in million

Sl. No.	Agency	Budget for FY 2025-26	Climate Budget Tagging			
			Mitigation	Adaptation	Enabling Environment	No Relevance
1	MoENR	1,604.844	758.878	141.834	147.927	556.205
2	MoAL	961.469	1.354	320.687	-	639.428
3	MoIT	7,385.664	339.076	4,931.054	9.612	2,105.922
4	MolCE	2,013.996	245.000	16.000	0.015	1,752.981
5	MoHA	1,100.272	7.500	13.040	20.850	1,058.882
6	MoESD	3,312.612	-	112.090	-	3,200.522
7	MoF	6,793.030	-	5.500	2.460	6,785.070
8	NCHM	292.673	18.250	157.975	100.064	16.384
9	RUB	801.322	-	-	6.100	795.222
10	LGs	11,751.412	177.187	1,466.939	92.968	10,014.318
Total		36,017.294	1,547.245	7,165.119	379.996	26,924.934
As Percent of Total Allocation			4.3%	19.9%	1.1%	74.7%

5.9 Budget Appropriation Bill for FY 2025-26:

In line with the implementation priorities of the 13th FYP and within the available resources and fiscal position, a total budget appropriation of Nu. 138,500.663 million for FY 2025–26 is submitted to the House as the Budget Appropriation Bill for consideration.

The appropriation comprises of:

- Recurrent budget: Nu. 58,481.217 million
- Capital budget: Nu. 60,730.085 million
- On-lending: Nu. 1,864.145 million
- Principal repayment: Nu. 17,425.216 million

Chapter 6: Public Debt

6.1 Overview

Public debt covers all public sector debt, including external and domestic debt of the central government, State Enterprises, the Royal Monetary Authority (RMA), and contingent liabilities (Government Guarantees).

At the end of March 2025, the total public debt stood at Nu. 298,183.3 million, accounting for 99.1 percent of the FY 2024-25 GDP estimate. The debt comprised Nu. 277,085.2 million of external debt stock and Nu. 21,098.1 million of domestic debt stock.

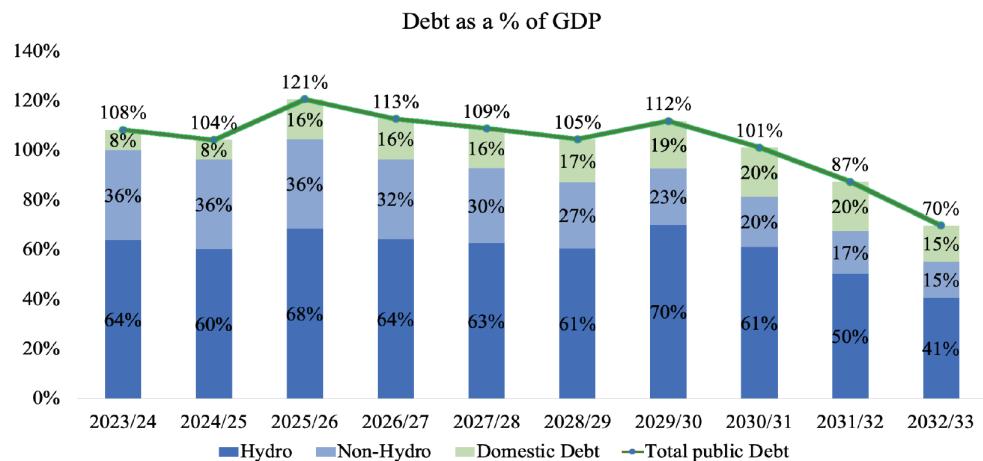
As of March 31, 2025, hydropower debt represents 61.4 percent of the total external debt and 56.5 percent of the estimated GDP. This hydro debt stock encompasses the obligations related to six specific hydropower projects: MHPA, PHEP-I, PHEP-II, Nikachhu, Dagachhu, and Basochhu (upper stage), in addition to the State Bank of India Loan Facility designated for small hydropower project development. The non-hydro debt constitutes 38.6 percent of the total external debt and 35.6 percent of the estimated GDP.

The Central Government debt accounts for 35.8 percent of the total public debt and 35.5 percent of the estimated GDP. In accordance with the Public Debt Management Policy 2023, the Central Government's debt stock is required to remain within 55 percent of GDP annually. Based on the figures provided, the Central Government debt is currently within this stipulated threshold.

6.2 Public Debt Outlook:

Public debt is significantly influenced by hydropower obligations. While external non-hydro debt's share of GDP is projected to decline over the long term, hydropower debt is anticipated to remain elevated in both the medium and long term. Currently, domestic debt represents a relatively small portion of the public debt. However, it is projected to grow from the next FY, driven by an expected increase in developmental activities. This anticipated rise in activity will necessitate greater domestic borrowing, consistent with the government's aim to develop the domestic capital market.

Figure 6.1 Total Public Debt in Terms of GDP:



6.3 Financing for FY 2025-26:

The Gross Financing Needs (GFN) for the period is estimated around Nu. 40,728.1 million, which comprises a fiscal deficit of Nu. 21,438.7 million, repayments totaling Nu. 17,425.2 million, and on-lending amounting to Nu. 1,864.1 million. To meet these GFN, the government plans to utilize Nu. 11,416.9 million from principal recoveries, and contract external borrowing of Nu. 8,283.6 million and domestic borrowing of Nu. 21,027.4 million. The breakdown is detailed in **Table 6.1**.

The external borrowing includes program borrowing of Nu. 4,565 million to finance governmental budgetary activities and project-tied borrowings of Nu. 3,718.7 million of which Nu. 1,864.2 million will be allocated for on-lending to SOEs.

Table 6.1 Financing Statement

	<i>Nu. in million</i>
FINANCING (Fiscal Deficit)	21,438.688
A. Net Acquisition of Financial Assets (Net Lending)	(9,552.817)
On-lending	1,864.145
Principal Recoveries	11,416.962
B. Net Incurrence of Liabilities (Net Borrowing)	11,885.870
B1. Net External Borrowing	(5,141.566)
Borrowing	8,283.648

Repayment	13,425.214
B2. Net Domestic Borrowing	17,027.437
Borrowing	21,027.437
Repayment	4,000.000

In alignment with the objectives of public debt management, the government intends to prioritize maximizing external concessional borrowings to minimize financing costs while simultaneously leveraging domestic sources to foster the development of the domestic capital market. The approach to external borrowing not only contributes to bolstering international reserves but also complements the external balance of payments.

6.3.1 Borrowings:

External Borrowings:

The external borrowing for the budgetary activities primarily comprises concessional loans secured from multilateral development partners, including the ADB, World Bank, and IFAD. These loans are obtained on highly favorable terms to finance the budget deficit, characterized by interest rates ranging from 0.8 percent to 1.5 percent, extended grace periods of 8 to 10 years, and repayment periods spanning 24 to 30 years.

Table 6.2 Summary of Planned External Borrowings for FY 2025-26

Nu. in million

Project and Programs	DPs	Amount
A. Project-tied Borrowings		
1. SASEC Transport, Trade Facilitation and Logistics Project	ADB	43.700
2. Phuentsholing Township Development Project - AF	ADB	313.269
3. Asia Pacific Vaccine Access Facility (APVAX)	ADB	525.800
4. Renewable Energy for Climate Resilience Project	ADB	194.150
5. Water Flagship Program Support Project	ADB	129.031
6. Pathways for Emerging Skills and Jobs Project	ADB	322.697
7. Phuentsholing Township Development Project	ADB	484.469
8. Green and Resilient Affordable Housing Sector Project	ADB	810.677
9. Green Power Readiness Enhancement Project	ADB	271.440

Project and Programs	DPs	Amount
10. PforR Bhutan Human Capital Recovery and Resilience Project	WB	582.090
11. Commercial Agriculture & Resilient Livelihoods Enhancement Programme (CARLEP)	IFAD	6.090
12. Building Resilient Commercial Smallholder Agriculture	IFAD	35.235
Total Project-tied Borrowings		3,718.648
B. Program Borrowings:		
1. Development Policy Credit (DPC)	WB	2,490.000
2. Policy-Based Lending (BPL)	ADB	2,075.000
Total Program Borrowings		4,565.000
Total External Borrowings		8,283.648

For FY 2025-26, the projected external borrowing amounts to Nu. 8,283.7 million. This includes Nu. 4,565 million in program borrowing and Nu. 3,718.6 million in project-tied borrowing. Of the project-tied borrowing, Nu. 1,864.2 million is designated for on-lending to State-Owned Enterprises (SOEs). The remaining project-tied borrowing, estimated at approximately Nu. 1,854.5 million, will be implemented by budgetary agencies. Nevertheless, it is important to note that the external borrowing figure represents the initial budget proposed by budgetary agencies and may increase during FY 2025-26 with the signing of new contract agreements.

While program borrowings are currently under discussion, the World Bank is anticipated to provide support through the Bhutan Jobs and Growth Development Policy Financing (DPF) Series, and the ADB through the Trade Expansion and Diversification Program.

Domestic Borrowings:

For FY 2025-26, principal recoveries are projected to cover 28 percent of GFN, while external concessional borrowings are estimated to cover around 20 percent. This leads to a balanced 52 percent of GFN, which has to be financed through domestic borrowings, including government bonds.

6.3.2 Debt Servicing:

The total debt servicing for FY 2025-26 is projected at Nu. 28,333.1 million, of which the interest payment is Nu. 10,907.9 million and principal repayment is Nu. 17,425.2 million, as presented in **Table 6.3**.

In addition to the existing development partners, there are new development partners for whom debt servicing, interest payments, is accounted for. These include the European Investment Bank (EIB), the OPEC Fund for International Development (OFID), and the Kuwait Fund for Arab Economic Development (KFAED). All servicing obligations for new development partners in FY 2025-26 pertain to loans provided to support small hydropower projects and solar energy facilities.

Table 6.3 Projected Debt Servicing in FY 2025- 26

Nu. in million

Category	Interest	Principal	Debt Servicing
1. External			
ADB	955.146	1,564.748	2,519.894
IDA/WB	477.773	935.851	1,413.624
IFAD	52.487	156.800	209.287
EIB	201.571	0.000	201.571
Government of Austria	1.140	119.773	120.913
Government of India	6,227.494	10,417.870	16,645.364
JICA	127.234	230.172	357.406
OFID	93.510	0.000	93.510
KFAED	25.715	0.000	25.715
Total External Debt Servicing	8,162.070	13,425.214	21,587.284
2. Domestic			
T-Bonds for Financing	2,245.858	4,000.000	6,245.858
T-Bills for Cash Management	500.000	0.000	500.000
Total Domestic Debt Servicing	2,745.858	4,000.000	6,745.858
Total Debt Servicing	10,907.928	17,425.214	28,333.142

6.3.3 Net Lending:

During FY 2025-26, net lending, calculated as the variance between on-lending and principal recoveries from corporations, is projected to be at Nu. 9,552.8 million. This comprises on-lending amounting to Nu. 1,864.1 million and principal recoveries totaling Nu. 11,416.9 million. This shows principal recoveries from the previous years' on-lending are more than the on-lending during the FY.

Table 6.4 Details of Net Lending*Nu. in million*

On-lending & Recoveries	Amount
A. On-lending to:	
ADB Loan to Phuentsholing Township Development Project	484.469
ADB Loan to Phuentsholing Township Development Project - Additional Financing	297.559
Green and Resilient Affordable Housing Sector Project	810.677
ADB Loan for Green Power Readiness Enhancement Project	271.440
Total On-lending	1,864.145
B. Principal Recoveries from:	
Bhutan Development Bank Limited	72.328
Bhutan Power Corporation Limited	245.150
Basochhu Hydropower Plant	35.400
Dagachhu Hydropower Corporation	306.824
Tangsibji Hydro Energy Limited	426.343
Mangdechhu Hydropower Plant	2,904.428
Punatsangchhu Hydroelectric Project -II	7,377.679
De-suung Skilling Program - Solar Initiatives	15.000
Drukair	33.811
Total Principal Recoveries	11,416.962
Net Lending	(9,552.817)

Chapter 7: Financial Position of Public Sector Institutions and Investments

7.1 State Owned Enterprises (SOEs):

The SOEs are established to play important roles in supporting socio-economic development and redistributing publicly owned resources. Currently, the Government has various shareholding in 32 companies, of which 10 are directly held by the MoF, including Druk Holding Investments (DHI), and the other 22 are DHI subsidiaries.

7.1.1 SOE under the Ministry of Finance:

Of 10 SOEs under the MoF, 8 are wholly-owned and 2 are majority-owned. The MoF also has minor shareholdings in Credit Information Bureau and Financial Institutions Training Institute Limited.

7.1.2 Druk Holding & Investment (DHI) and Subsidiaries:

DHI is a fully-owned government holding company. It is the commercial arm of the government with a mandate “to hold and manage the existing and future investments of the government for long-term benefit of the people of Bhutan”.

DHI currently holds shares in 22 companies operating in various sectors of aviation, communication, energy, financial, manufacturing, natural resources, real estates and trading. Of the 22 portfolio companies, 10 are fully owned, 5 are controlled with more than 51 percent shareholdings and 7 are linked companies with less than 51 percent shareholdings.

7.2 SOE Performances:

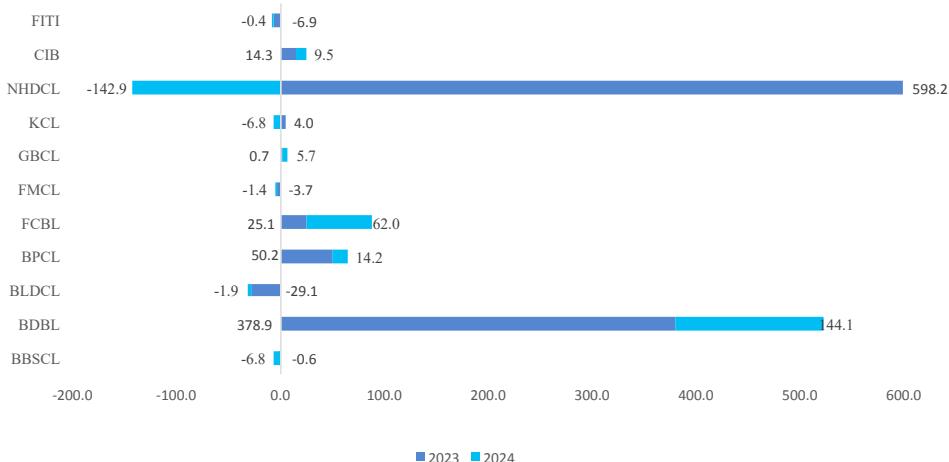
SOEs posted gross revenue of Nu. 112,650.9 million, 22.9 percent higher compared to Nu. 91,651.1 million in 2023 and the expenditure incurred was Nu. 74,126.1 million. The profit after tax is Nu. 25,127.8 million, an increase

of 15.2 percent from Nu. 21,806.7 million in the prior year. Accordingly, the SOEs contributed Nu. 11,860.6 million and Nu. 5,272.3 million in the form of tax and dividend respectively.

7.2.1 Performance of SOE under Ministry of Finance:

In 2024, SOEs under MoF (excluding DHI and including CIB and FITI), posted a net profit of Nu. 75.2 million. The dividend contribution decreased from Nu. 213.2 million in 2023 to Nu. 83.9 million in 2024. Similarly, the CIT also decreased from Nu. 174 million to Nu. 88.9 million during the same period. As of December 2024, the combined net asset of SOEs stands at Nu. 8,367.9 million, an increase of 1.8 percent as compared to the previous year.

Figure 7.1 Profit/Loss After Tax



7.2.2 DHI- Standalone Performance:

In the year 2024, DHI's revenue increased from Nu. 10,551.1 million in the year 2023 to Nu. 10,983.9 million, an increase of 4.1 percent. The increase was mainly due to the increase in dividends from subsidiary companies by 3.1 percent (from Nu. 9,986 million in 2023 to Nu. 10,319.4 million in 2024) as shown in **Table 7.1** below. However, the expenditure increased by 18 percent (from Nu. 289.5 million in 2023 to Nu. 341.6 million in 2024). The increase was mainly caused by an increase in the employee related cost.

During the year, DHI contributed to Nu. 8,636.3 million to the domestic

revenue in the form of taxes (Nu. 3,577.3 million) and dividend (Nu. 5,059 million), which is an increase of 30.8 percent as compared to the previous year mainly on account of increase in dividend from SMCL, BPCL and RICBL. The total revenue (taxes and dividend combined) contribution from DHI amounted to 13.6 percent of the total domestic revenue.

Table 7.1 Dividend Income from Subsidiaries

Nu. in million

Particulars	2022	2023	2024
Dividend Income from Subsidiaries			
State Trading Corporation of Bhutan Ltd.	22.940	22.940	-
Bank of Bhutan Ltd.	-	58.306	153.332
Bhutan Telecom Ltd.	2,022.000	2,560.000	2,427.000
Druk Green Power Corporation Ltd.	5,110.000	4,395.770	4,074.369
Druk Air Corporation Ltd.	-	-	-
State Mining Corporation Ltd.	1,793.339	1,919.754	2,310.000
Natural Resources Development Corp. Ltd.	-	-	-
Bhutan Power Corporation Ltd.	1,012.271	806.687	1,057.341
Penden Cement Authority Ltd.	-	-	-
Thimphu Tech Park Ltd.	57.602	-	23.000
Wood Craft Centre Ltd.	-	-	-
Menjong Sorig Pharmaceuticals Corporation Ltd.	3.800	-	-
Total	10,021.952	9,763.457	10,045.042
Dividend Income from Associates and Portfolios			
Bhutan Ferro Alloys Ltd.	115.784	135.081	38.595
Bhutan National Bank Ltd.	-	67.597	94.294
Royal Insurance Corporation of Bhutan Ltd.	-	-	103.833
Bhutan Carbide and Chemicals Ltd.	-	-	-
Druk Ferro Alloy Ltd.	-	-	-
Dividend income from KKR	17.868	-	16.962
Dividend income from investment abroad	15.427	19.887	20.636
Total	149.078	222.565	274.320
Total Dividend	10,171.031	9,986.022	10,319.362

Table 7.2 Tax and Dividend Pay-Out of DHI*Nu. in million*

Particulars	2022	2023	2024
Corporate Income Tax (CIT)	3,125.445	3,243.050	3,577.270
Dividend Payout (DP)	3,977.000	3,361.000	5,059.000
% Change in DP	31.6%	-15.5%	50.5%
Total Revenue from DHI	7,102.445	6,604.050	8,636.270
% Share to Domestic Revenue	15.8%	11.8%	13.6%

In 2024, the total assets of DHI grew by 21.9 percent to Nu. 97,490.3 million from Nu. 79,996.2 million in 2023¹. It was mainly attributed to an increase in investment and capital work in progress.

Table 7.3 Financial Position of DHI Standalone*Nu. in million*

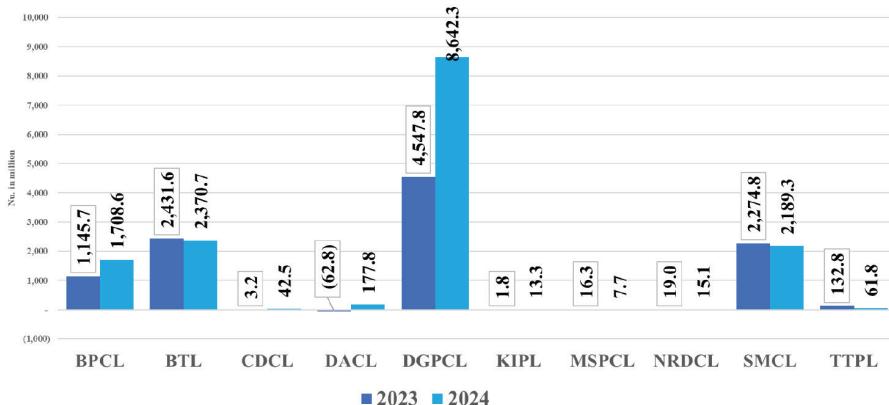
Particulars	2022	2023	2024
Non-current Assets	70,703.189	74,744.059	87,567.237
Current Assets	2,503.953	5,252.135	9,923.096
Total Assets	73,207.142	79,996.194	97,490.333
Equity	66,490.342	73,119.195	89,881.105
Non-current Liabilities	4,526.744	5,258.839	6,134.836
Current Liabilities	2,190.056	1,618.159	1,474.392
Total Equities and Liabilities	73,207.142	79,996.194	97,490.333

7.2.3 Performance of Subsidiary Companies:

As a group (where subsidiary companies' revenues and expenditures are consolidated), DHI generated a gross revenue of Nu. 94,517.4 million, an increase of 26.4 percent from Nu. 74,764 million in 2023. Similarly, the profit after tax exhibited a growth of 30.8 percent, rising to Nu. 17,989.6 million from Nu. 13,757.2 million in 2024. Concurrently, the contribution to the national exchequer through taxes increased to Nu. 8,194.5 million, compared to Nu. 5,798.9 million in 2023.

¹ The FS for 2022 and 2023 is based on restated account

Figure 7.2 Profit/Loss after Tax for DHI Owned Companies



7.3 Subsidies to SOEs

In the FY 2023-24, Nu. 976.6 million was transferred as subsidies, which is a decrease of 21.4 percent as compared to the previous year. Of the total subsidies provided, Nu. 344.5 million was transferred to SOEs under MoF (BBSCL, FMCL, NHDCL, BLDCL) and Nu. 562.7 million was transferred to the DHI companies (BPC, DACL, RICBL).

Table 7.4 Summary of Subsidies

Nu. in million

Particular	FY 2021-22 (Actual)	FY 2022-23 (Actual)	FY 2023-24 (Actual)	FY 2024-25 (Estimates)	FY 2025-26 (Estimates)
BAIL	5.579	6.239	14.458	14.923	9.543
BBSCL	235.707	182.772	212.838	247.676	278.365
Bhutan Post	-	-	-	-	-
FCBL	177.499	66.013	-	-	-
FMCL	75.713	4.902	19.806	-	-
NHDCL	59.613	53.173	50.996	50.979	50.120
BLDCL	-	-	60.841	-	-
GBCL	22.588	-	-	-	-
CC	74.125	50.450	54.148	71.883	71.883
DSP-SI	-	-	0.883	5.850	5.148
BPC	1,469.539	702.569	393.741	384.000	378.118
Druk Air	92.193	93.985	85.110	65.036	42.845

Particular	FY 2021-22 (Actual)	FY 2022-23 (Actual)	FY 2023-24 (Actual)	FY 2024-25 (Estimates)	FY 2025-26 (Estimates)
RICBL	82.222	83.142	83.807	85.183	86.657
Subsidy Amount	2,294.778	1,243.245	976.628	925.530	922.589
YoY % Change	-17.3%	-45.8%	-21.4%	-5.2%	-0.3%

7.4 State-Owned Enterprises' Debt:

The overall SOEs debt increased from Nu. 48,274.2 million to Nu. 92,694.7 million in 2024. The increase was mainly due to a substantial increase in borrowing by DGPC from Nu. 8,005.3 million in 2023 to Nu. 48,663.5 million in 2024.

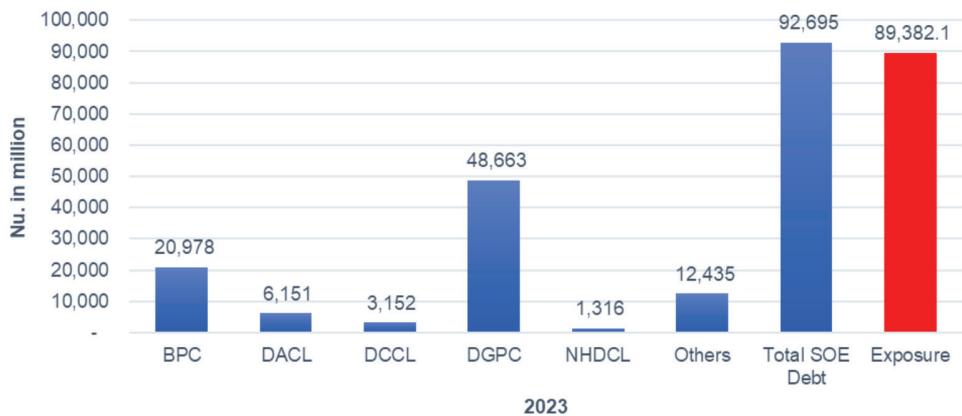
Table 7.5 Summary of SOE Debt

Nu. in million

Particulars	2022	2023	2024
Short-term	5,909.515	7,842.427	16,632.416
Long-term	38,478.111	40,431.786	76,062.240
Total SOEs Debt	44,387.626	48,274.213	92,694.656

In terms of exposure, based on the shareholding pattern, the government's share of SOEs debt was 96.4 percent of the total SOEs debt amounting to Nu. 89,382.1 million.

Figure 7.3 SOEs Debt and Government Exposure



7.5 Sovereign Guarantee:

The government provided guarantees to state enterprises to facilitate borrowing at concessional terms. The guarantee was provided to finance the priority sectors and socially beneficial projects. As of December 31, 2024, the government guaranteed the borrowing of Nu. 3,693.3 million to the SOEs.

Table 7.6 Summary of Sovereign Guarantee as of December 31, 2024

Name of the Beneficiary	Issue Date	Issued by	Guaranteed		Years	Outstanding	<i>Amount in million</i>
			USD	Nu.			Nu.
Guaranteed by Government							
NHDCL	11-Sep-17	NPPF		890.000	20		623.973
BAIL	5-Jun-17	BOBL		166.000	20		120.350
DACL	11-Feb-19	NPPF	36.600		11		2,399.073
DACL	13-Aug-19	SDF	13.000		10		486.777
FMCL	17-Jun-24	BDBL		50.000	5		31.789
BLDCL	21-Jun-24	BDBL		50.000	5		31.369
Total			49.600	1,156.000			3,693.331

Table 7.7 Summary of Implicit Sovereign Guarantee (as per data available on June 30, 2022)

Name of Beneficiary	Deficit Amount	<i>Nu. in billion</i>
		Nu.
Guaranteed by Government		
Civil Service Pension Scheme		22.111
Armed Forces Pension Scheme		10.891
Total		33.002

As of the valuation date, June 30, 2022, the accrued service liability for the Civil Service Pension Scheme stood at Nu. 48.9 billion, with plan assets totaling Nu. 26.8 billion, resulting in a deficit of Nu. 22.1 billion. For the Armed Forces Pension Scheme, the accrued service liability amounted to Nu. 18.7 billion, with plan assets at Nu. 7.9 billion, leading to a deficit of Nu. 10.9 billion. Since these are implicit guarantees by the government, the unfunded status of contingent liabilities amounts to Nu. 33 billion. However, the latest actuarial valuation 2024 is under process.

7.6 Medium-term Outlook of SOEs:

The contribution from CIT and dividend transfer from state enterprises is likely to increase over the medium term².

Table 7.8 Medium-Term Outlook

Particulars	<i>Nu. in million</i>				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
	Actual	Actual	Estimates	Estimates	Projection
Dividend Transfer					
MoF-SOE	153.000	213.155	83.994	118.883	124.135
DHI	3,361.000	5,059.160	5,649.190	6,481.940	7,307.646
Sub Total	3,514.000	5,272.315	5,733.184	6,600.822	7,431.780
CIT Contribution					
MoF-SOE	94.919	174.031	92.987	129.722	138.597
DHI	3,112.810	2,909.340	3,267.087	3,683.200	
DGPC	2,139.120	2,077.468	3,813.753	4,546.647	4,855.509
BPC	330.262	424.469	965.430	1,946.792	2,048.893
Sub Total	5,677.111	5,585.308	8,139.257	10,306.361	7,042.998
Grand Total	9,191.111	10,857.623	13,872.441	16,907.183	14,474.778

7.7 National Pension and Provident Fund:

7.7.1 Operational Highlights:

As of December 31, 2024, NPPF's active members (still in service) stood at 65,819 (9.8 percent of the total population of the country) registering a growth of 0.9 percent. On the other hand, the number of pensioners grew from 9,920 in 2023 to 10,360 in 2024, registering a growth of 4.4 percent.

The total fund size as of December 31, 2024 stood at Nu. 69,142.7 million registering a growth of 6.3 percent against Nu. 65,068.4 million in 2023.

7.7.2 Financial Highlights:

The actual revenue for the year ended December 31, 2024 was Nu. 4,223.5 million excluding fair value gains compared to Nu. 3,873.9 million in the year

² The medium -term outlook is exclusive of BDFL and BLL from FY 2024-25 onwards

2023. The revenue with fair value gains stood at Nu. 4,284.5 million for the year ended December 31, 2023 (fair value gains Nu. 410.5 million).

The NPPF asset size grew from Nu. 65,068.4 million to Nu. 69,142.7 million (impact of fair value Nu. 410.5 million in the year 2024), which is an increase of 6.3 percent from the previous year. Given the lack of a vibrant financial market and limited investment avenues in Bhutan, improving a sustainable rate of return has been the biggest challenge for NPPF despite consistent growth in NPPF's investment portfolio. In 2024 the investment portfolio grew by 5.2 percent to Nu. 67,905.9 million as compared to the previous year.

7.7.3 Risks Associated with Underfunding and Contingent Liability:

The unfunded status of pension funds indicates that the fund's liabilities (the promised benefits to members) exceed its assets (the funds available to pay those benefits).

7.8 Energy:

The Bhutan Power System Master Plan (PSMP) 2040 has identified 155 hydropower sites with a total potential of 37 Gigawatt (GW) and corresponding design energy of 154 Terawatt hours (TWh) excluding the pumped storage sites. Out of the 155 sites 90 sites are found to be techno-economically feasible with an installed capacity of 33 GW.

With the addition of the 18 MW Suchhu Small Hydro Power Plant in March 2025, the total installed capacity of the country stands at 2,470.6 MW, which is 7.6 percent of the techno-economic power potential of the country, as shown in **Table 7.10**

Table 7.9 List of Power Plants Under Operation in the Country

Sl. No.	Power Plant	Installed Capacity (MW)	Design Energy	Year of Commissioning
1	Chhukha	336	1,800	1986-1988
2	Kurichhu	60	400	2001
3	Basochhu (Stage I)	24	105	2002
4	Basochhu (Stage II)	40	186	2004
5	Tala	1,020	4,865	2006-2007
6	Dagachhu	126	360	2015

Sl. No.	Power Plant	Installed Capacity (MW)	Design Energy	Year of Commissioning
7	Mangdechhu	720	3,008.32	2019
8	Nikachhu	118	491.52	2024
9	Suchhu	18	77	2025
10	Mini and Micro Hydel	8	19.64	-
Total		2,470	11,235.48	

Apart from the above hydropower projects, a total of nine hydropower projects (including small hydro under Phase I and II) are in various stages of initiation and construction/commissioning and upon completion, these hydropower projects would add an additional capacity of 3,101 MW in the country as shown in **Table 7.10**.

Table 7.10 Hydropower Plants Under Construction

Sl. No.	Power Plant	Installed Capacity	Design Energy	Expected Year of Commissioning
		(MW)	(GWh)	
1	Punatsangchhu I	1,200	5,429	2031
2	Punatsangchhu II	1,020	4,575	2025
3	Khorlochhu	600	2,569	2030
4	Burgangchhu	54	261	2025
5	Yungichhu	32	158	2025
6	Begana	25	104	2028
7	Druk Bindu I & II	26	110	2027
8	Jomori	90	367	2028
9	Gamri I & Bamukparongchhu Integrated	54	228	2028
Total		3,101	13,801	

7.8.1 Financing Modality of Hydropower:

The hydropower projects involve huge investments and are implemented outside the Five-Year Plans and annual budgets of the Government. Loan disbursements for hydropower projects are recorded in the total debt stock of MoF and reported to the Parliament through the audited Annual Financial Statements.

The financing modality of the Inter-Governmental (IG) projects are defined in the bilateral agreements, which empowers the project authorities to implement and disburse funds directly to the projects as per the work progress. As per the bilateral agreement, projects developed under the IG model are handed over to the RGoB by the project authority within two years of commissioning the projects. Other modes of the development of hydropower are also being initiated by diversifying the financing sources, e.g. Nikachhu HEP. Recently, with approval of the renewable energy development roadmap 2024, the RGoB has also opened the hydropower and solar for local and foreign investments for execution through public-public/private partnerships (PPP) where the RGoB's authorized agency must hold majority share holdings in case of hydro projects.

The following **Table 7.11** shows the existing projects under construction with financing modalities.

Table 7.11 Financing Modality of Ongoing Hydro-Power Projects

Sl. No	Projects	Installed Capacity (MW)	Financial Modality
1	Punatsangchhu I	1,200	IG with 40% grant and 60% loan from GoI.
2	Punatsangchhu II	1,020	IG with 30% grant and 70% loan from GoI.
3	Khorlochhu	600	PP on strategic partnership with TATA power and TATA holding 40% equity and DGPC 60%. Debt to be financed by Power Finance Corporation (PFC), India under Debt equity ratio of 70:30.
4	Lunana SHP	0.500	GoI PTA

7.8.2 Physical and Financial Progress of Ongoing Projects:

The brief financial and physical progress of the projects under construction are as follows:

Punatsangchhu - I Hydroelectric Project:

The initial timeline for the 1,200 MW PHEP-I was from November 2008 to November 2015 at the initial project cost of Nu. 35,148.10 million as of December 2006 Price Level (PL).

The dam excavation started in June 2009, and considerable physical progress was made up until the massive slide on the right bank hillslope at the dam site that occurred on 19 July 2013, which proved to be a major set-back for the project. To stabilize this, a number of major stabilization measures were implemented in phases between 2014 to 2019. However, a secondary slide in August 2016 within the July 2013 slide area further disrupted the dam foundation excavation works and got further reactivated in January 2019 leading to a complete stoppage of the works in the dam pit area till date. Thereafter, the RGoB and GoI have been engaged in exploring other options based on the third-party review of the hillslope stability including undertaking feasibility of a barrage option in the upstream.

Currently, two governments have decided to first establish the geological profile of the hillslope based on which consensus would have to be reached on the appropriate stabilization measures to be implemented to take construction of the dam option forward. The first phase of additional geo-technical studies was completed in March 2024 and the two governments have held several formal and informal meetings to discuss the findings of the geo-technical investigations and the way forward. As per the last informal meeting held on April 22, 2025, both sides have agreed that CWC will come up with a holistic report, which will be discussed in June 2025 and to be finalized at the next Technical Coordination Committee (TCC) meeting.

The first Revised Cost Estimates (RCE) sanctioned by the Government of India in 2015 has estimated the project cost to be Nu. 93,755.8 million at December 2013 price level. As of April, end 2025, Nu. 87 billion has been disbursed and 87.8 percent of the works stand completed.

Punatsangchhu - II Hydroelectric Project

The progress of the Punatsangchhu-II hydroelectric project (1,020 MW) has been severely affected on account of geological challenges like collapse of Down Stream Surge Gallery (DSSG) in the powerhouse and in mobilizing adequate manpower and construction materials due to the COVID-19 pandemic. However, the project has initiated testing and commissioning during the second half of 2024 where two Generating Units were commissioned and synchronized with the Grid w.e.f December 27, 2024. The third Unit was commissioned on March 19, 2025 and the balance three Units are slated for commissioning on May 15, June 30 and July 31, 2025 respectively.

The initial project cost as per the DPR/bilateral Agreement was Nu. 37,778 million (March 2009 PL) which has been revised to Nu. 72,906.2 million (March 2015 PL). The cost to completion is estimated at Nu. 94,456 million (2020 PL). As of April 2025, total of Nu. 87.9 billion has been disbursed and 98.9 percent of the works of the project have been completed.

Khorlochhu Hydro Power Limited (KHPL)

The erstwhile Kholongchhu Hydro Energy Limited (KHPL) was incorporated as a Joint Venture Company between the DGPC of Bhutan and the Satluj Jal Vidyut Nigam (SJVN) of India on a 50-50 shareholding partnership basis on June 12, 2015 to implement the 600 MW project in keeping with the inter-governmental signed between the RGoB and the GoI for JV hydro projects on April 22, 2014. However, the project faced huge delays with the award of the main civil work packages since the signing of the Concession Agreement between the RGoB and KHPL. The project could not progress further due to deadlock between the shareholders as a result of which DGPC withdrew from the JV and took over the assets and liabilities on an “as-is-where-is basis” based on the mutual discussions understanding reached where the equity contribution of SJVN was returned by DGPC with fair interest in January 2023.

To take forward the implementation of the project, DGPC entered into a new strategic partnership with Tata Power Company Limited (TPCL) where the new Shareholders’ Agreement was signed on October 25, 2024, with DGPC holding a 60 percent stake and Tata Power owning 40 percent. The company was subsequently renamed Khorlochhu Hydro Power Limited (KHPL). The project cost was updated to Nu. 69 billion, with a construction schedule of 59 months. KHPL is one project out of 5,000MW development agreement reached with TPCL where an MoU was signed on November 19, 2024 during which the reconstruction of the project was also initiated.

KHPL signed two major Power Purchase Agreements (PPAs); one with Tata Power Trading Company Limited (TPTCL) on October 25, 2024 for electricity export to India during summer months, and another with Bhutan Power Corporation Ltd. on October 30, 2024 for domestic supply during lean discharge period.

Construction efforts gained momentum with the resumption of major civil works. The ceremonial blasting for key components, including the dam,

powerhouse, and tunnel, took place on November 19, 2024, which was attended by officials from Tata Sons, the RGoB, DGPC, and Tata Power. On the same day, KHPL and RGoB signed the Concession Agreement as well. As of December 31, 2024, DGPC had invested a total of Nu. 6.3 billion into KHPL. This included Nu. 1.8 billion in equity capital, Nu. 4.3 billion in preference shares, and Nu. 0.2 billion as intercorporate borrowing. Additionally, KHPL secured over Nu. 48 billion debts from Power Finance Corporation (PFC), India with the official sanction letter issued on November 16, 2024.

As the project progresses, KHPL remains focused on finalizing debt financing and accelerating construction to meet its ambitious target of delivering the project before construction schedule through adoption of new construction mythologies and innovative technologies available in the market. Further, by leveraging the expertise of TPCL and DGPC, KHPL aims to successfully deliver the project within cost while at the same time strengthening human resources and monitoring of quality to ensure long-term sustainability of the project.

500kW Lunana Small Hydro Project

Lunana Gewog under Gasa Dzongkhag lying in the extreme northwest region consists of five Chiwogs with thirteen (13) villages with 198 number of households excluding the institutions and with a total population of 699. The villages are spread along the Phochhu valley and lies at elevations ranging from El. 3,000 m to 4,180 m. The entire area falls under the national protected area and biological corridor of Jigme Dorji Wangchuck National Park. Except for Ramina village, the rest of Lunana does not have motor road connectivity and it takes more than a week on foot to travel and reach it from the nearest road head. Initially, the RGoB has provided solar home lighting systems (SHLS) to light the homes and beyond that the people depend on non-renewable energy resources for daily energy needs such as firewood, kerosene and LPG. Due to high and rugged mountainous terrain exceeding El. 5,000 m, it was found not feasible to extend grid power supply to Lunana and in view of the variable nature of supply, SLHS has not been able to provide stable and reliable power supplies. Therefore, the only acceptable option for providing reliable electricity for Lunana is through development of a small hydropower project. Accordingly, the DPR study of Lunana Project was carried out by DGPC in 2019 in cooperation with the erstwhile Ministry of Economic Affairs to provide power supply through a distributed generation.

As such, the RGoB has planned to provide reliable electricity to the Lunana villages by development of a 500kW small hydro project as part of the 13th FYP for which the GoI has agreed to finance its construction through PTA funding in 2024-25. Accordingly, the MoENR has entrusted the execution of the project through DGPC where the updation of DPR has been completed and construction initiative underway.

7.8.3 Other Energy Projects:

There are other energy projects under operation and construction like solar and wind. RGoB has also initiated construction of utility scale solar and introduction of solar Prosumers where remote and economically disadvantaged villages can derive income from sale of excess solar energy to the grid through net metering. The following table shows a list of these projects under operation and construction:

Table 7.12 Solar and Wind Projects under Operation and Construction

Projects	Installed Capacity (MW)	Status
DSP SI-I&II	4.60	Operation (Dechencholing, CFM & Pangbisa)
Solar (Others)	0.99	Operation as part of RE, Rooftops & distributed generation.
Wind	0.60	Operation (Wangdue)
Total-1	6.19	
Sephu	22.38	Under testing & commissioning.
Prosumer	0.97	Under testing & commissioning. Additional installation of 200 systems (600kW) under negotiation.
Jamjee	120	Under tendering process for construction.
Solar Roof Top (RTS-I)	8	Under tendering process for implementation.
Total-2	151.35	

7.8.4 Energy Projects in the Pipeline:

The RGoB has also approved the Renewable Energy Development Roadmap 2024 (REDR) in September 2024 in order to ramp up construction of hydropower and solar projects with a target to achieve 15 GW and 5 GW of

additional hydropower and solar installed capacities by 2034-40 required for fulfilling the long-term national energy security. Towards the quadrupling of generation capacity by 2040, for the first time, the RGoB has also opened up the generation sector for private investments, including local, considering the priority of meeting the domestic energy security, especially during the winter months where imports have been rising since 2022 on a year-on-year basis. As such, to facilitate the achievement of the generation targets, the RGoB is also in the process of finalizing the National Energy Policy 2025 which will provide a basis with principles and frameworks for development of energy projects in the country. The MoENR is also initiating the formulation of the Energy Bill to replace the Electricity Act of Bhutan 2001 considering the enhanced mandates and evolving energy landscape and technological advancements in the sector.

As part of the renewed strategy, the RGoB is in the process of exploring and developing more hydropower (including small hydro) and solar projects to meet energy security of the country by 2034-40 for which various studies and financing strategies are being initiated as follows:

Table 7.13 Pipeline Hydropower Projects

Project	Capacity (MW)	Start Date	Expected COD	Status
Dorjilung	1,125	Oct-25	Oct-31	DPR update completed/ World Bank leading financing consortium. Partnership discussions with TATA Power underway.
Gamri II	85	Oct-25	Oct-29	DPR preparation under process. Socio-economic survey and biodiversity baseline data collection completed in March 2025.
Yurmochhu	24	Apr-27	Apr-30	DPR preparation under process. Topographical survey works, Design and engineering works ongoing.
Parochhu	40	Jul-26	Jul-29	DPR preparation under process.
Sherichhu	53	Aug-26	Aug-27	Topographical survey works have been initiated and the DPR preparation is under process.
Jigmechhu	64	Nov-27	Nov-30	

Project	Capacity (MW)	Start Date	Expected COD	Status
Bunakha (Reservoir)	180	Feb-26	Feb-32	
Nyera Amari-I &II (Integrated)	404	Oct-26	Oct-31	DPRs under updatations with ADB leading financing consortium.
Total	1,975			

With the concurrence of the RGoB, DGPC partnered with Adani Group, India for taking up 5,000MW of hydropower and solar projects on a strategic partnership basis in keeping with the REDR 2024. To this effect, the two partners had also signed an MoU on May 8, 2025 in Thimphu where the 900/570MW Wangchhu Reservoir/RoR project will be taken up among others and alongside some solar projects to be identified. In addition, the DGPC is also in advanced discussions with M/s Reliance and M/s GMR, India for development of Chamkharchhu-I and other projects under similar arrangements as Khorlochhu and Wangchhu.

Besides, the DGPC had initiated carrying out of various feasibility studies for the following projects to ensure its readiness for investments and constructions:

Table 7.14 Hydropower Projects under various Feasibility Studies

Plant Name	Capacity (MW)	Start Date	Expected COD	Status
Chamkharchhu-I	770	Oct-26	Oct-32	DPR updation to be initiated with Reliance.
Wangchhu (Reservoir)	900	Apr-26	Mar-34	DPR to be reviewed with preference for 900 MW reservoir option with Adani Group.
Dangchhu	170	Apr-28	Oct-32	DPR preparation underway.
Komachhu	363	Nov-28	May-33	DPR preparation underway.
Jongthang	237	Dec-28	Jun-33	DPR preparation initiated.
Chamkharchhu-II (PRoR)	590	Jan-33	Jul-37	Project implementation modality under discussion with GMR and DPR preparation to be initiated with WB financing.

Plant Name	Capacity (MW)	Start Date	Expected COD	Status
Chamkharchhu-IV	364	Jan-34	Jul-38	Discussions with Tata Power for preparation of the DPR through WB financing.
Gongri	740	Aug-27	Sep-34	DPR preparation underway.
Jerichhu PSP	1,800	Nov-27	Dec-34	
Dorokha	550	Nov-28	Dec-35	DPR to be initiated.
Sunkosh (Reservoir)	4,060	Dec-26	Dec-34	Social Impact Assessment being updated by DGPC.
Kuri Gongri	2,800	Dec-29	Dec-39	DPR under review and clearance.
Total	13,344			

Apart from the hydro projects, the following solar initiatives are under way in an effort to diversify the energy generation to support the long-term energy security:

Table 7.15 Solar Projects in Pipeline

Plant Name	Capacity (MW)	Start Date	Expected COD	Status
RTS-II	10	Sep-25	Jul-25	Under feasibility study
RTS-III	17	Feb-25	Dec-25	Under feasibility study
Wobthang	120	Jun-25	Dec-26	Finalizing FSR, bidding and ADB's E&S safeguard documents.
Apai Amai Pang	150	Jan-26	Jul-27	Feasibility study underway.
Gogona	150	Jun-26	Dec-27	Ascertaining land availability and to seek statutory clearances.
Tsephu	100	Dec-25	Feb-27	To complete field investigations by June 2025 and public consultations held on April 11, 2025.
Ladrong	30	Aug-25	Feb-25	Public clearance obtained and field investigations to be completed.
Namthang	60	Dec-27	Jun-29	Field investigation activities ongoing.
Doongkar Dawa	80	Nov-27	May-29	Field investigations to commence by June 2025.
Razawog	23	Jun-29	Dec-30	Under desktop study
Pedseling	40	Dec-26	Jun-28	UAV topo-survey completed and feasibility study to begin.

Plant Name	Capacity (MW)	Start Date	Expected COD	Status
Dungmanma	80	Apr-26	Oct-27	Conducted site identification and preliminary desktop assessment
Tsaenkhar	20	Dec-26	Jun-28	Field investigations to commence by March, 2025
Dramthang	150	Dec-26	Jun-28	Field investigations to commence by March, 2025
Brekha	50	Aug-26	Feb-28	Field investigations to be commenced
Paro	20	Mar-26	Sep-27	Under desktop study
Thimphu	20	Jun-29	Dec-30	Under desktop study
Total	1,120			

7.9 Royal Monetary Authority:

The primary objective of the RMA, as stipulated in the RMA Act 2010, is to formulate and implement monetary policy, achieve and maintain price and financial stability (Chapter II, Section 7). The RMA in pursuance of its objectives undertakes various functions; one in particular is to act as banker, adviser, and financial agent to the RGoB.

7.9.1 Financial Statement:

The overall financial position of the Central Bank increased by Nu. 4.8 billion, rising from Nu. 105.2 billion as of June 30, 2023, to Nu. 110.1 billion as of June 30, 2024. This growth was primarily driven by an increase in both assets and liabilities.

On the assets side, local currency non-financial assets increased by Nu. 6 billion (107 percent), foreign currency financial assets by Nu. 2.8 billion (3 percent), and foreign currency non-financial assets by Nu. 623.4 million (100 percent).

On the liabilities side, domestic currency increased by Nu. 4.1 billion (9 percent) mainly due to liquidation of Ways and Means advance of RGoB and decrease in balances of RMA's deposit accounts maintained with the commercial bank. Likewise, the foreign currency liability increased by Nu. 3.4 billion (10 percent) mainly from an increase in the GoI Standby Credit and

higher RBI Swap balances, further impacted by the appreciation of the USD to INR exchange rate.

The total comprehensive income declined significantly by Nu. 2.6 billion, from Nu. 5.2 billion in FY 2022–23 to Nu. 2.6 billion in FY 2023–24. This decrease was primarily driven by a substantial reduction in realized gains from the sale of foreign currency assets. Other income also declined by Nu. 2.4 billion, largely due to a Nu. 2.6 billion decrease in realized gains, along with the payment of Nu. 902.7 million as incentives for inward remittances. Although interest income on foreign currency assets increased by Nu. 25.5 million, net foreign currency interest income fell by Nu. 119.7 million due to Nu. 169.7 million rise in interest expenses on additional borrowings under the RBI Swap and GoI Standby Credit facilities. Furthermore, net local currency interest income decreased by Nu. 19.6 million, largely due to the limited utilization of the Ways and Means Advances facility by the Royal Government of Bhutan. Overall operating expenses increased marginally by Nu. 2.5 million, primarily owing to a Nu. 50.1 million rise in employee benefit expenses.

Consequently, the surplus for FY 2023–24 declined by Nu. 3.3 billion compared to the previous financial year, with the surplus transfer of Nu. 2 billion.

7.10 Foreign Direct Investment (FDI):

A total of 17 FDI projects worth Nu. 15,962.9 million were approved in the year 2024. Compared to previous year, there is an increase in both the number of approved projects and the project size. Eleven of the projects approved in 2024 are in the service sector and remaining six are in the manufacturing sector. The FDI inflows for the year 2023 as per the Annual FDI Survey Report 2024 were recorded at INR 1,470.8 million and USD 4.6 million. FDI inflows in the country have increased to Nu. 6,445.6 million in the year 2023, up from Nu. 5,868.6 million in 2022. The total capital inflows received during the year 2023 have increased by 9.8 percent as compared to the year 2022.

As of December 2024, there were a total of 121 approved FDI projects worth Nu. 60.8 billion in the country. The hospitality sector accounted for 34.7 percent of the projects, followed by Information Technology/Information Technology Enabled Services at 23.1 percent. Investments from Asia dominated with 58.3 percent followed by 23.5 percent from America. Within

Asia, 55 percent of the projects in the country are from India followed by Singapore at 15 percent and Thailand at 11 percent.

As per the FDI Annual Report 2024, the reported FDI companies in Bhutan employed a total number of 4,366 Bhutanese as of December 2024. FDI companies reported employing a total of 258 expatriate employees in the year 2024. For every expatriate employed, there are 16 Bhutanese employed by the FDI companies. The service sector on average employed 38 employees while the manufacturing sector employed 34 employees on average.

Tax contributions such as corporate tax, salary tax, customs duties, etc. by the reported FDI companies are recorded at Nu. 2,078.5 million in the income year 2023, an increase by 37.4 percent from the contribution recorded for the income year 2022 which was recorded at Nu. 1,512.9 million.

7.11 Bhutan Trust Fund for Environment Conservation and Bhutan Health Trust Fund:

The fund status of the two major Trust Funds as on March 31, 2025 is provided in the table below.

Table 7.16 Government Non-Budgetary Fund

Nu. in million

Sl. No.	Fund	Fund Balance
1	Bhutan Trust Fund for Environment Conservation	5,203.908
2	Bhutan Health Trust Fund	4,324.886

Chapter 8: Fiscal Risks and Challenges

8.1 Introduction:

Fiscal risks refer to factors that may cause actual fiscal outcomes to deviate from budget projections, impacting government revenues, expenditures, assets, and liabilities. In Bhutan, these risks are heightened by structural and external vulnerabilities, including slower-than-expected economic growth, global shocks, exchange rate fluctuations, under-execution of capital projects, and rising public debt. Additional risks stem from contingent liabilities of SOEs and climate-related disasters.

To improve fiscal transparency and risk management, the government discloses fiscal challenges and mitigation measures. For FY 2025–26, fiscal risks are categorized into four major groups: Macroeconomic Risks, Institutional Risks, Specific Risks, and other emerging risks. This approach helps policymakers conduct targeted analysis and implement strategies to safeguard fiscal sustainability and economic resilience.

8.2 Types of Fiscal Risk:

The major fiscal risks are discussed below.

Macroeconomic risk	<ul style="list-style-type: none">- Slow GDP growth- Global economic downturn- Exchange rate volatility
Institutional risk	<ul style="list-style-type: none">- Dependency on hydropower- Public investment execution risk
Specific Risk/Contingent liability	<ul style="list-style-type: none">- SOE risk
Other risk	<ul style="list-style-type: none">- Climate change and natural disaster

8.3 Macroeconomic Risk:

The fiscal outlook remains vulnerable to a range of macroeconomic risks that could undermine revenue performance and increase fiscal pressures. Key concerns include slower-than-expected GDP growth due to structural

constraints and project delays, a potential global economic downturn that may affect tourism and remittances and exchange rate volatility stemming from external sector imbalances. If these risks materialize, it could reduce fiscal space, increase debt servicing costs, and destabilize macroeconomic conditions.

8.3.1 Global Economic Downturn:

Bhutan's economy faces significant fiscal risks due to its external dependence on hydropower exports, tourism, and concessional financing. A global economic slowdown or trade conflicts could weaken demand, reduce tourist arrivals, and disrupt supply chains, leading to lower government revenue.

Given Bhutan's close trade and financial ties with India, any downturn or policy shifts in India could constrain the flow of Indian Rupees, straining the currency peg with the Ngultrum. If more countries adopt protectionist trade policies, Bhutan could face higher import costs and reduced access to international markets, increasing inflation, and weakening trade balance.

These combined challenges risk widening the fiscal deficit, complicating government financing efforts, and undermining debt sustainability, particularly if foreign-funded investments continue without adequate financial reserves.

8.3.2 GDP Growth:

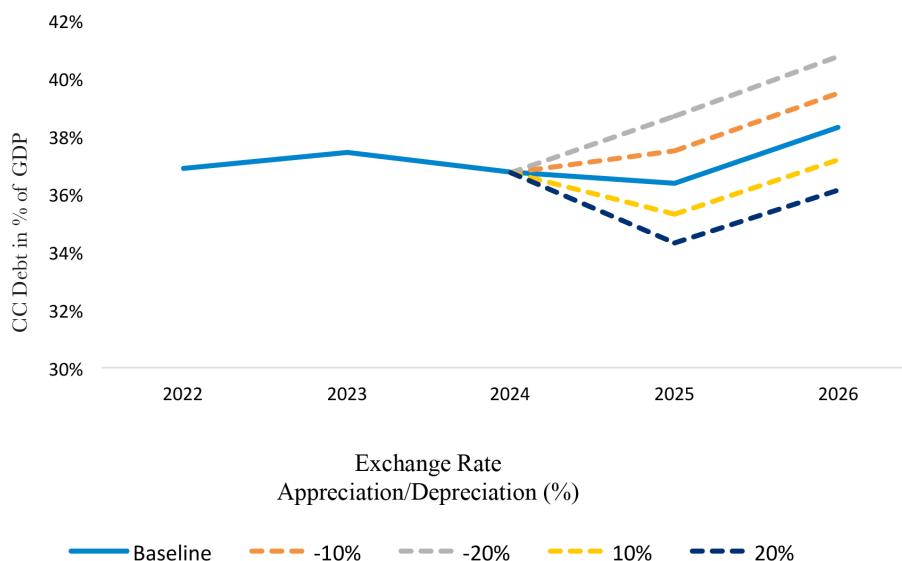
Slower-than-anticipated GDP growth poses a significant macroeconomic risk to Bhutan's fiscal stability, reducing domestic revenue mobilization, particularly from CIT and BIT, which closely track overall GDP performance. This can widen fiscal deficits, elevate public debt, and necessitate spending cuts or increased borrowing. Additionally, weaker growth may dampen private investment, lower employment, and erode economic confidence, further straining public finances.

Regression analysis indicates that a 1 percentage point shortfall in GDP growth could lead to a 0.9 percent decline in CIT and BIT revenues. Such a drop can significantly affect fiscal planning given Bhutan's narrow tax base and reliance on hydropower and tourism.

8.3.3 Exchange Rate Volatility:

Despite Ngultrum's peg to the Indian Rupee, Bhutan faces exchange rate risk due to external debt obligations in other currencies. A Rupee depreciation against major currencies increases the Ngultrum cost of debt servicing, posing a notable fiscal risk. An exchange rate depreciation of 10 percent and 20 percent could increase the debt to GDP ratio to 37 percent and 39 percent respectively, relative to a baseline of 36 percent during FY 2025-26. Similarly, for FY 2026-27, the ratio worsens to 39 percent and 41 percent, respectively.

Figure 8.1 Exchange rate shock on Convertible Currency (CC) debt



8.4 Institutional Risk:

8.4.1 Dependency on Hydropower:

Bhutan's fiscal reliance on hydropower exposes it to multiple interconnected risks that threaten revenue stability and debt sustainability. Electricity generation is highly sensitive to hydrological conditions, making it vulnerable to climatic disruptions that can reduce exports and revenue. Dependence on Power Purchase Agreements (PPAs) adds on to the uncertainty, as renegotiation, shifts in demand, or energy transition policies in importing countries may impact earnings. Furthermore, project delays and cost overruns exacerbate the challenge by deferring revenues and increasing debt burdens.

To assess this vulnerability, a scenario analysis assuming a ten percent drop in electricity generation from PHEP-II revealed a significant decline in electricity and domestic revenues, deteriorating the fiscal balance to Nu. 21,438.7 million in FY 2025–26. This illustrates how sector-specific shocks can directly affect macro-fiscal outcomes, underscoring the need to diversify revenue sources and strengthen fiscal buffers.

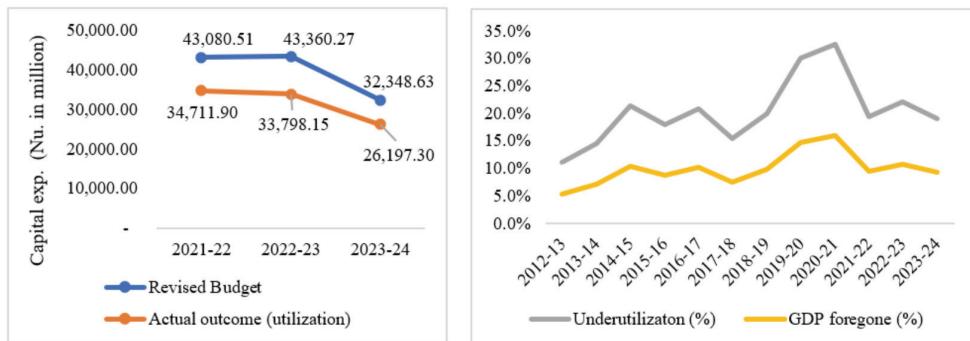
Table 8.1 Fiscal impact of a reduction in PHEP-II electricity generation

Electricity generation: PHEP II	2024-25	2025-26	2026-27	2027-28
Electricity generation	7.440	3798.430	4574.990	4574.990
Scenario 1: decrease by 10%	7.440	3418.587	4117.491	4117.491
Electricity Revenue				
Baseline_Elec_Revenue	28,687.418	47,234.220	49,018.084	50,210.780
Scenario 1_Elec_Revenue	28,687.418	45,563.537	47,005.842	48,198.538
Domestic revenue (Internal resource)				
Baseline_Dom_Revenue	64,259.552	70,462.134	74,893.450	79,059.722
Scenario 1_Dom_Revenue	64,259.552	68,850.956	73,230.487	77,369.785
Fiscal Balance				
Baseline_Fiscal Balance	(7,009.698)	(21,438.688)	(8,764.403)	(2,739.034)
Scenario 1_Fiscal Balance	7,009.698	(23,118.838)	(10,415.134)	(4,403.892)
Deficit in % of GDP				
Baseline	-2.37%	-6.22%	-2.27%	-0.64%
Scenario 1	-2.37%	-6.71%	-2.70%	-1.03%

8.4.2 Public Investment Execution Risk:

Persistent under-execution of capital budgets threatens fiscal policy effectiveness and development objectives. Low utilization undermines the counter-cyclical role of fiscal policy, especially when public investment is intended to stimulate economic activity during downturns. Moreover, inefficient execution may lead to cost overruns, rushed year-end spending, or incomplete projects, reducing value for money. These challenges weaken budget credibility and risk eroding confidence among development partners and investors.

Figure 8.2 Capital expenditure execution gap and its estimated impact on GDP



Over the past 12 fiscal years, a persistent gap between revised capital allocations and actual spending has highlighted implementation challenges and resulted in lost economic output. A simple OLS regression shows that a 1 percent shortfall in capital spending is linked to a 0.5 percent reduction in GDP. Based on this relationship, underutilized capital budgets have led to an estimated GDP loss of 5 to 15 percent in recent years. **Figure 8.2** illustrates both the widening gap in capital spending and the corresponding GDP impact. This trend signals a key fiscal risk, where weak public investment execution undermines development and dampens the growth effects of fiscal policy, especially during economic recovery.

8.5 Specific Risk

8.5.1 Public Debt Related Risk

The total public debt as of December 31, 2024 stands at Nu. 292,742.5 million, equivalent to 97.1 percent of estimated GDP. While this level remains elevated, the structure and composition of the debt provide important insights into associated fiscal risks, particularly in terms of refinancing, interest rate sensitivity, and exchange rate exposure.

Table 8.2 Public Debt Risk Indicators summary

Risk indicators		External Debt	Domestic Debt	Total Public Debt
<i>Total Debt (Nu. in Million)</i>		269,144.429	23,598.052	292,742.481
<i>Debt as percent to GDP</i>		89.30%	7.80%	97.10%
<i>Weighted Average Interest rate</i>		6.50%	5.60%	6.50%
Refinancing	<i>Average time to maturity (year)</i>	12.10	5.30	11.60
Interest rate	<i>Average time to re-fixing (year)</i>	11.70	5.30	11.20
Forex risk	<i>CC debt (% of total public debt)</i>			31.70%

8.5.1.1 Refinancing Risk

The average time to maturity of total public debt is 11.6 years, reflecting a relatively long debt maturity profile. This reduces short-term rollover risks and lowers the likelihood of refinancing pressures in the near term. However, domestic debt has a shorter average time to maturity of 5.3 years, indicating a higher rollover frequency and greater exposure to domestic liquidity or interest rate shocks.

8.5.1.2 Interest Rate Risk

The average time to re-fixing for total public debt is 11.2 years, suggesting that most of the debt is on fixed interest terms or re-priced infrequently, providing insulation against short-term rate volatility. However, domestic debt, with a much shorter average time to re-fixing of 5.3 years, is more susceptible to rising domestic interest rates. This could increase the cost of debt servicing in the event of monetary tightening or inflationary pressures.

8.5.1.3 Exchange Rate Risk

Approximately 31.7 percent of total public debt is denominated in foreign currency (Convertible currency debt), exposing the debt portfolio to exchange rate fluctuations. While a significant share of Bhutan's external debt is concessional and hydropower-related, any depreciation in the Ngultrum could raise the local currency cost of debt servicing, especially for non-hydropower external loans. Given Bhutan's currency peg to the Indian rupee, risks may also arise from India's external account developments and monetary conditions.

8.5.2 SOE Related Risk

SOE-related risks stem from factors such as political interference, inefficiency in management, financial dependency on government support, and vulnerability to macroeconomic fluctuations, all of which can compromise their operational sustainability and fiscal impact.

One of the risks emanating from SOEs is that of contingent liability due to extension of explicit and implicit guarantees. As of December 31, 2024, the government holds explicit contingent liabilities in the form of sovereign guarantees extended to SOE borrowings. In addition, implicit contingent liabilities exist, particularly related to unfunded pension obligations managed through the National Pension and Provident Fund. The details of sovereign guarantees and pension-related obligations are presented in **Tables 7.3** and **Table 7.4**, respectively.

8.6 Climate Change and Natural Disaster

Bhutan is increasingly exposed to climate-induced and natural hazards, posing significant fiscal risks through potential damage to infrastructure, disruption of economic activity, and increased public spending for disaster response and recovery. According to the World Bank, the country faces high risks from river floods, urban floods, landslides, extreme heat, and forest/wildfires as mentioned in the **Table 8.4**. These hydro-meteorological and climate-related events are becoming more frequent and severe, largely due to climate change and poorly planned urban development.

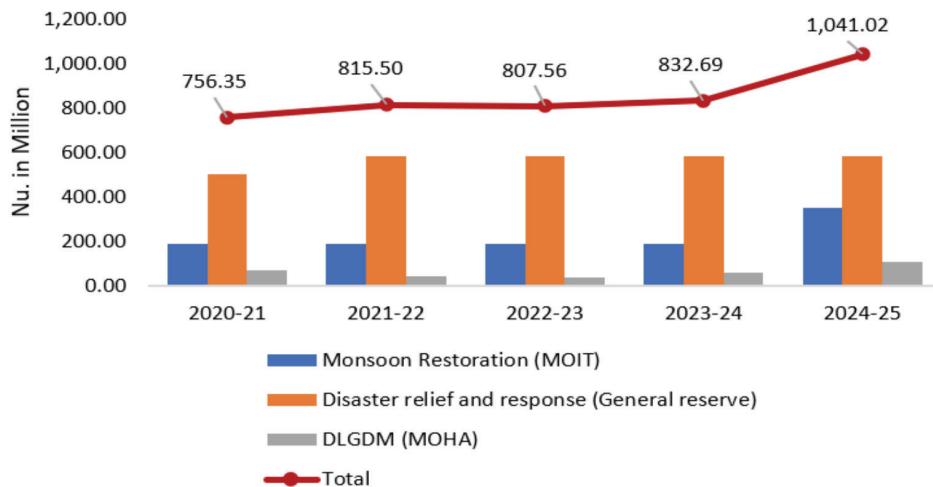
Table 8.4 Key risk summary³

Natural Hazard	Hazard type	Level of risk
River flood	Hydro-meteorological	High
Urban flood	Hydro-meteorological	High
Landslide	Geological	High
Extreme heat	Climate related	High
Forest/wild fire	Climate related	High
Earthquake	Geological	Medium
Water scarcity	Climate related	Medium
Cyclone	Meteorological	Low

³ Adapted from *Bhutan Crisis Preparedness Gap Analysis: Technical Report*, The World Bank.

These risks, if realized, could lead to large unplanned public expenditures, reduced revenue from key sectors (hydropower and agriculture), and increased debt if external financing is required for disaster relief. Strengthening fiscal buffers, investing in climate-resilient infrastructure, and developing robust disaster risk financing strategies are crucial to mitigating these contingent liabilities and maintaining fiscal stability.

Figure 8.3 Disaster related budget summary



The steep rise in monsoon restoration funding, combined with the persistently high and possibly underestimated disaster relief allocation, is most concerning. In particular, the total budget for disaster-related expenditure has increased significantly from Nu. 832.7 million in FY 2023-24 to Nu. 1,041 million in FY 2024-25, reflecting rising fiscal pressure. This trend highlights growing fiscal exposure to climate-induced disasters, especially floods and landslides.

Conclusion

As we embark on the second year of the 13th FYP, the Government presents a record-high annual budget of Nu. 138,500.7 million, aligned with the objective of ***“Accelerating Prosperity and Social Transformation through Enterprise, Innovation, and Efficiency”***.

This budget reflects our unwavering commitment to transformative reforms, inclusive development, strengthening local governance and the long-term resilience of our economy.

Accordingly, the Budget Appropriation Bill for FY 2025–26 and the Supplementary Appropriation Bill for FY 2024–25 are respectfully submitted to this Honorable House for its consideration and approval.

On behalf of the Government and the people of Bhutan, we humbly offer our deepest respects and boundless gratitude to His Majesty The King, His Majesty The Fourth Druk Gyalpo, Her Majesty The Gyaltsuen, and the Members of the Royal Family, for their extraordinary leadership, selfless service, and profound concern for the well-being of our nation. Their vision continues to guide our development journey and safeguard our sovereignty and unity.

We also express our heartfelt appreciation to His Holiness the 70th Je Khenpo, the Zhung Dratshang, and all religious communities for their enduring prayers, *kurims* and spiritual guidance, which continue to uphold the moral fabric and harmony of our society.

We remain deeply grateful to the Government of India and all our development partners for their steadfast cooperation and generous assistance. Their continued support is vital as Bhutan advances its socio-economic transformation and strengthens its presence on regional and global platforms. The Government conveys its sincere appreciation to the Honourable Members of Parliament for their dedication, collaboration, and oversight, essential pillars of accountable governance and national progress.

To our public servants, armed forces, local governments, private sector, civil society organizations, and frontline workers, we extend heartfelt gratitude for your tireless service, resilience, and commitment to reforms and results.

Above all, we thank the people of Bhutan, our true partners in nation-building, for your trust, active participation, and enduring spirit. Your resilience and unity are the foundation of our democracy and the strength of our shared future.

As we move forward with optimism and resolve, let us remain united in our purpose, bold in our aspirations, and innovative in our approach, guided by the timeless vision of *Gross National Happiness* and the extraordinary leadership of our beloved Monarchs.

May the Guardian Deities of the Glorious Palden Drukpa continue to bless our beloved nation with enduring peace, prosperity, and happiness.

Annexures

Annexure A: Revised Budget Summary for FY 2024-25 as of March 31, 2025

		<i>Nu. in million</i>	
	SOURCES OF FINANCE	Approved	Revised
A	TOTAL RESOURCES	73,182.049	83,434.784
	I. INTERNAL RESOURCES	56,660.426	65,779.977
	<i>i. Domestic Revenue</i>	<i>54,749.944</i>	<i>63,694.630</i>
	a. Tax	39,246.347	40,373.570
	b. Non-Tax	15,503.597	23,321.060
	<i>ii. Other Receipts</i>	<i>1,910.482</i>	<i>2,085.347</i>
	II. GRANTS	16,521.623	17,654.807
	<i>i. Program Grants</i>	<i>1,666.667</i>	<i>1,000.000</i>
	a. GoI (TSF & PG)	1,666.667	1,000.000
	<i>ii. Project-tied Grants</i>	<i>14,854.956</i>	<i>16,654.807</i>
	a. GoI	10,539.536	11,555.520
	b. Others	4,315.420	5,099.287
B	TOTAL EXPENDITURE	89,051.173	90,444.482
	<i>i. Current Expenditure</i>	<i>50,809.905</i>	<i>50,754.894</i>
	<i>ii. Capital Expenditure</i>	<i>38,241.268</i>	<i>39,689.588</i>
A-B	FISCAL BALANCE	(15,869.124)	(7,009.698)
	FINANCING	15,869.124	7,009.698
	a. Net Lending	1,784.246	1,784.246
	<i>i. Principal Recoveries</i>	<i>4,179.872</i>	<i>4,179.872</i>
	<i>Less Lending</i>	<i>(2,395.626)</i>	<i>(2,395.626)</i>
	b. Net External Borrowings	2,931.538	2,350.131
	<i>i. Project-tied Borrowings</i>	<i>5,793.578</i>	<i>5,406.885</i>
	<i>ii. Program Borrowings</i>	<i>3,320.000</i>	<i>3,320.000</i>
	<i>Less Repayment (External)</i>	<i>(6,182.040)</i>	<i>(6,376.754)</i>
	c. Net Internal Borrowings	(11,153.340)	(2,875.321)
	<i>i. Internal Borrowings</i>	<i>(11,153.340)</i>	<i>(2,875.321)</i>
	GDP	304,363.901	295,729.064
	Net Internal Borrowings % of GDP	-3.66%	-0.97%
	Fiscal Balance % of GDP	-5.21%	-2.37%

Annexure B: Budget Summary for FY 2025-26

Nu. in million

	Particulars	Amount
A	TOTAL RESOURCES	97,772.614
	I. INTERNAL RESOURCES	72,357.396
	i. Domestic Revenue	70,462.130
	a. Tax	46,939.248
	b. Non-Tax	23,522.882
	ii. Other Receipts	1,895.266
	II. EXTERNAL RESOURCES	25,415.218
	i. Program Grants	1,000.000
	a. GoI	1,000.000
	ii. Project-tied Grants	24,415.218
	a. GoI	18,885.874
	b. Others	5,529.344
B	TOTAL EXPENDITURE	119,211.302
	i. Current Expenditure	58,481.217
	ii. Capital Expenditure	60,730.085
A-B	OVERALL BALANCE /FISCAL DEFICIT	(21,438.688)
	FINANCING	21,438.688
	a. Net Lending	9,552.817
	i. Principal Recoveries	11,416.962
	Less lending	1,864.145
	b. Net External Borrowings	(5,141.568)
	i. Project-tied Borrowings	3,718.648
	ii. Program Borrowings (\$30m WB -DPC & \$25m ADB -PBL)	4,565.000
	Less Repayment (External)	13,425.216
	c. Net Internal Borrowings	(17,027.439)
	i. Internal borrowings	(21,027.439)
	Less Repayment (Internal)	4,000.000
	GDP Estimates	344,553.830
	Fiscal Balance % of GDP	-6.22%

Annexure 1: Summary of Allocation for Dzongkhags for FY 2025-26

Nu. in million

Sl. No	Dzongkhags	Current (A)	RGoB Block (B)		Project-Tied (C)		Centrally Executed (D)	Total Capital (E)=B+C+D	Total Allocation (F)=A+E
			External	RGoB	External	RGoB			
1	Chhukha	795.744	102,558	97,143	10,500	117,221	327,422	1,123,166	
2	Haa	304,830	80,484	38,780	4,450	169,905	293,619	598,449	
3	Paro	931,279	94,118	246,274	1,100	245,746	587,238	1,518,517	
4	Samtse	1,018,748	123,714	141,820	12,500	387,173	665,207	1,683,955	
5	Tsirang	503,689	93,298	299,634	4,833	239,792	637,557	1,141,246	
6	Dagana	505,261	88,502	100,595	4,020	112,493	305,610	810,871	
7	Punakha	658,047	101,308	110,710	9,500	287,759	509,277	1,167,324	
8	Wangdue Phodrang	676,999	115,476	105,350	1,500	469,555	691,881	1,368,880	
9	Bumthang	395,825	82,404	57,620	3,500	89,963	233,487	629,312	
10	Sarpang	675,896	108,822	101,284	1,300	625,862	837,268	1,513,164	
11	Zhemgang	431,039	103,168	274,908	4,400	564,730	947,206	1,378,245	
12	Trongsa	333,300	98,844	93,346	2,400	458,006	652,596	985,896	
13	Lhuentse	324,967	87,788	53,139	7,280	178,685	326,892	651,859	
14	Monggar	767,572	96,894	102,293	9,210	561,801	770,198	1,537,770	
15	Pema Gatshel	534,992	103,628	83,390	6,600	138,355	331,973	866,965	
16	Sandrup Jongkhar	558,744	108,942	97,195	3,959	226,400	436,496	995,240	
17	Trashigang	1,046,336	121,644	118,940	13,440	328,957	582,981	1,629,317	
18	Thimphu	437,434	96,130	88,905	6,510	225,419	416,964	854,398	
19	Gasa	162,599	84,922	94,118	2,000	131,931	312,971	475,570	
20	Trashi Yangtse	439,982	107,356	58,940	5,900	200,770	372,966	812,948	
	Total	11,503,283	2,000,000	2,364,384	114,902	5,760,523	10,239,809	21,743,092	

Annexure 2: Summary of Allocation for Thromdes for FY 2025-26

Rs. in million

Sl. No	Thromdes	Current (A)	Capital				Total Allocation (F)=A+E
			RGoB Block (B)	External	Project-Tied External (C)	Centrally Executed (D)	
1	Thimphu Thromde	1,701.320	1,242,418	177,355	7,250	817,508	2,244,531
2	Phuentsholing Thromde	383,214	438,820	101,270	2,500	258,210	800,800
3	Gelephu Thromde	266,138	291,372	2,680	1,195	486,600	781,847
4	Samdrupjungkhar Thromde	197,705	227,390	118,770	3,500	6,300	355,960
Total		2,548,377	2,200,000	400,075	14,445	1,568,618	4,183,138
							6,731,515

Annexure 3: Summary of Allocation for Gewogs for FY 2025-26

Nu. in million

Sl. No	Gewogs	Current (A)	RGoB Block (B)	Project-Tied External (C)	Capital Centrally Executed (D)	Total Capital (E)=B+C+D	Total Allocation (F)=(A+E)
1	Samphelling Gewog, Chhukha	4,402	13,270	1,178	0,000	14,448	18,850
2	Bongo Gewog, Chhukha	4,405	18,350	5,378	0,675	24,403	28,808
3	Chapchha Gewog, Chhukha	3,367	11,758	5,500	30,000	47,258	50,625
4	Doongna Gewog, Chhukha	4,166	12,226	23,878	89,695	125,799	129,965
5	Geling Gewog, Chhukha	4,397	11,280	2,400	1,000	14,680	19,077
6	Darla Gewog, Chhukha	4,814	16,502	25,578	2,125	44,205	49,019
7	Getana Gewog, Chhukha	4,189	12,410	25,886	50,000	88,296	92,485
8	Bjagchhog Gewog, Chhukha	4,068	12,852	13,578	0,500	26,930	30,998
9	Loggchina Gewog, Chhukha	3,918	12,746	17,578	116,558	146,882	150,800
10	Maedtakha Gewog, Chhukha	4,491	11,534	0,500	0,900	12,054	16,545
11	Phuentsholing Gewog, Chhukha	4,469	15,972	9,878	11,250	37,100	41,569
12	Bji Gewog, Haa	4,109	12,876	14,131	0,000	27,007	31,116
13	Kartshog Gewog, Haa	4,109	10,344	15,270	0,000	25,614	29,723
14	Sangbay Gewog, Haa	4,188	12,258	16,400	28,500	57,158	61,346
15	Samar Gewog, Haa	4,141	11,274	19,178	0,000	30,452	34,593
16	Uesu Gewog, Haa	4,181	10,848	10,390	0,000	21,238	25,419
17	Gakidling Gewog, Haa	4,522	12,560	1,000	42,000	55,560	60,082
18	Dopsharri Gewog, Paro	4,437	11,046	16,400	18,975	46,421	50,858

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
19	Dokar Gewog, Paro	4,665	11,000	12,100	11,277	34,377
20	Doteng Gewog, Paro	4,384	10,796	6,178	11,726	38,700
21	Hoongrel Gewog, Paro	4,572	9,434	2,855	6,227	18,516
22	Lamgong Gewog, Paro	4,605	11,664	8,578	31,720	51,962
23	Loongnyi Gewog, Paro	4,394	11,628	10,878	23,385	45,891
24	Nagya Gewog, Paro	4,145	13,112	7,358	8,642	29,112
25	Sharpa Gewog, Paro	4,599	12,424	12,078	11,727	36,229
26	Tsento Gewog, Paro	3,882	13,394	13,988	47,910	75,292
27	Wangchang Gewog, Paro	4,609	10,334	15,578	58,410	84,322
28	Norgaygang Gewog, Samtse	4,732	15,626	6,078	49,170	70,874
29	Pemaling Gewog, Samtse	4,429	14,218	6,378	46,320	66,916
30	Sangngachheling Gewog, Samtse	4,466	13,886	20,578	69,877	104,341
31	Norboogang Gewog, Samtse	4,586	13,758	15,578	0,000	29,336
32	Duenchukha Gewog, Samtse	4,423	13,258	15,878	28,170	57,306
33	Dophoogchen Gewog, Samtse	4,880	16,322	11,078	6,000	33,400
34	Doongtoed Gewog, Samtse	4,423	12,372	22,578	8,170	43,120
35	Yoeseltse Gewog, Samtse	4,427	12,746	8,840	8,170	29,756
36	Naangaychheling Gewog, Samtse	4,552	15,004	12,678	0,000	27,682
37	Tendruk Gewog, Samtse	4,642	15,708	14,078	5,250	35,036
38	Ugyentse Gewog, Samtse	4,432	11,202	14,378	0,000	25,580
						30,012

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
39	Phuentshogpeli Gewog, Samtse	4,503	16,344	9,178	5,250	30,772
40	Samtse Gewog, Samtse	4,467	13,506	5,378	0,000	18,884
41	Tashichhoeling Gewog, Samtse	4,414	12,440	0,500	8,760	21,700
42	Tading Gewog, Samtse	4,502	14,918	5,378	8,170	28,466
43	Patshaling Gewog, Tsirang	4,386	11,518	12,000	6,000	29,518
44	Doonglagang Gewog, Tsirang	4,623	12,304	8,500	4,500	25,304
45	Barshong Gewog, Tsirang	4,484	11,342	9,400	12,000	32,742
46	Gosarling Gewog, Tsirang	4,748	11,488	12,378	10,500	34,366
47	Rangthangling Gewog, Tsirang	4,368	11,702	14,917	12,000	38,619
48	Kilkhorthang Gewog, Tsirang	4,458	11,628	10,828	40,250	62,706
49	Mendrelgang Gewog, Tsirang	4,388	11,500	10,700	0,000	22,200
50	Sergithang Gewog, Tsirang	4,739	12,858	11,478	36,665	61,001
51	Pungtenchhhu Gewog, Tsirang	4,477	12,542	18,800	27,539	58,881
52	Semjong Gewog, Tsirang	4,435	11,902	13,498	12,509	37,909
53	Tsholingkhar Gewog, Tsirang	4,529	12,036	15,878	0,000	27,914
54	Tsirangtoed Gewog, Tsirang	4,735	11,862	7,490	64,261	83,613
55	Dorona Gewog, Dagana	4,466	11,726	3,939	120,050	135,715
56	Drukjeygang Gewog, Dagana	4,456	11,494	9,578	30,000	51,072
57	Gesarling Gewog, Dagana	4,401	10,832	9,578	5,000	25,410
58	Gozhi Gewog, Dagana	4,374	11,580	12,328	0,000	23,908
						28,282

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
59	Karna Gewog, Dagana	4,358	12,686	11,078	0.000	23,764
60	Khebisa Gewog, Dagana	4,396	11,692	15,500	0.000	27,192
61	Lagyab Gewog, Dagana	4,561	11,096	5,678	7,033	23,807
62	Tashiding Gewog, Dagana	4,393	11,620	10,928	36,425	58,973
63	Tsendagang Gewog, Dagana	4,463	12,060	11,228	22,635	45,923
64	Tsangkha Gewog, Dagana	4,653	11,598	15,700	25,000	52,298
65	Tseza Gewog, Dagana	4,324	12,302	21,200	32,400	65,902
66	Karmaling Gewog, Dagana	4,469	10,828	13,000	9,290	33,118
67	Lhamoizingkhha Gewog, Dagana	4,094	11,438	10,470	1,959	23,867
68	Nichula Gewog, Dagana	4,566	10,728	7,828	0,000	18,556
69	Chhuboog Gewog, Punakha	4,433	11,064	6,500	1,800	19,364
70	Goenshari Gewog, Punakha	4,425	10,422	4,380	0,250	15,052
71	Guma Gewog, Punakha	4,391	11,100	3,900	3,000	18,000
72	Kabisa Gewog, Punakha	4,710	11,698	6,050	5,665	23,413
73	Lingmukha Gewog, Punakha	4,449	10,642	0,800	0,000	11,442
74	Shelunga-Bjemi Gewog, Punakha	4,641	10,434	5,024	0,000	15,458
75	Talog Gewog, Punakha	4,636	10,686	5,700	0,715	17,101
76	Toedwang Gewog, Punakha	4,423	12,038	0,600	0,050	12,688
77	Dzomi Gewog, Punakha	4,488	10,612	6,300	11,000	27,912
78	Barp Gewog, Punakha	4,615	11,152	2,200	25,000	38,352
						42,967

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
79	Toepaisa Gewog, Punakha	4.714	11.268	4.100	36.245	51.613
80	Bjednag Gewog, Wangdue Phodrang	4.574	12.584	2.800	12.635	28.019
81	Dangchhuu Gewog, Wangdue Phodrang	4.756	12.662	10.378	6.403	29.443
82	Darkar Gewog, Wangdue Phodrang	3.909	14.910	26.578	0.000	41.488
83	Gangteng Gewog, Wangdue Phodrang	4.467	11.972	13.878	0.000	25.850
84	Gasetshogongm Gewog, Wangdue Phodrang	3.843	11.800	20.678	0.000	32.478
85	Gasetshowogm Gewog, Wangdue Phodrang	4.635	11.000	0.700	45.835	57.535
86	Kazhi Gewog, Wangdue Phodrang	4.384	13.406	12.878	9.635	35.919
87	Nahi Gewog, Wangdue Phodrang	4.407	10.880	8.178	0.000	19.058
88	Nyishog Gewog, Wangdue Phodrang	4.688	13.590	12.778	0.000	26.368
89	Phangyuel Gewog, Wangdue Phodrang	4.412	11.436	8.578	11.635	31.649
90	Phobji Gewog, Wangdue Phodrang	4.467	12.590	14.328	10.300	37.218
91	Ruebisa Gewog, Wangdue Phodrang	4.652	12.684	2.078	10.000	24.762
92	Saephoog Gewog, Wangdue Phodrang	4.516	14.320	5.378	11.765	31.463
93	Athang Gewog, Wangdue Phodrang	4.445	12.932	5.178	0.000	18.110
94	Thedtisho Gewog, Wangdue Phodrang	4.570	11.810	2.078	0.000	13.888
95	Chhoekhor Gewog, Bumthang	4.580	17.318	13.428	35.270	66.016
96	Chhumig Gewog, Bumthang	4.448	13.752	8.100	13.510	35.362
97	Tang Gewog, Bumthang	4.613	13.886	15.500	0.785	30.171
98	Ura Gewog, Bumthang	4.778	12.470	4.378	11.446	28.294
						33.072

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
99	Samtenling Gewog, Sarpang	4,437	11,166	0.000	0.000	11,166
100	Chhuzaggang Gewog, Sarpang	4,450	11,522	0.000	0.092	11,614
101	Dekidling Gewog, Sarpang	4,291	12,510	0.000	0.000	12,510
102	Chhuzom Gewog, Sarpang	4,750	12,380	0.700	0.000	13,080
103	Traythang Gewog, Sarpang	4,626	9,538	0,600	0.000	10,138
104	Gelephu Gewog, Sarpang	4,277	11,878	0,500	2,500	14,878
105	Gakidling Gewog, Sarpang	4,292	11,318	0,500	60,230	72,048
106	Jigmedchhoeling Gewog, Sarpang	4,970	12,990	0,000	0,000	12,990
107	Unning Gewog, Sarpang	4,466	11,258	0,000	0,000	11,258
108	Senggey Gewog, Sarpang	4,399	10,728	0,600	0,000	11,328
109	Shom pangkha Gewog, Sarpang	4,368	10,554	0,800	0,000	11,354
110	Sezhang Gewog, Sarpang	4,195	11,506	1,500	3,592	16,598
111	Bardo Gewog, Zhemgang	4,484	14,954	10,500	36,293	61,747
112	Bjokha Gewog, Zhemgang	4,429	12,752	10,800	21,123	44,675
113	Nangkor Gewog, Zhemgang	4,376	15,200	8,228	56,161	79,589
114	Ngangla Gewog, Zhemgang	4,343	15,378	17,578	3,883	36,839
115	Phangkhar Gewog, Zhemgang	4,441	14,002	6,000	3,323	23,325
116	Shingkhar Gewog, Zhemgang	3,931	13,972	16,578	133,768	164,318
117	Trong Gewog, Zhemgang	4,547	13,248	6,228	3,523	22,999
118	Goshing Gewog, Zhemgang	4,552	13,704	15,000	62,349	91,053
						95,605

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
119	Draagteng Gewog, Trongsa	4,073	16,528	4,700	6,733	27,961
120	Korphaog Gewog, Trongsa	4,232	12,672	5,278	25,733	43,683
121	Langthil Gewog, Trongsa	3,634	16,220	10,500	5,733	32,453
122	Nubi Gewog, Trongsa	4,114	16,342	6,350	36,033	58,725
123	Tangsijji Gewog, Trongsa	4,091	13,016	3,650	6,733	23,399
124	Gangzur Gewog, Lhuentse	4,531	14,330	11,747	19,090	45,167
125	Jarey Gewog, Lhuentse	3,982	12,946	19,984	0,000	32,930
126	Khoma Gewog, Lhuentse	4,377	13,482	18,040	3,000	34,522
127	Kurtoed Gewog, Lhuentse	4,422	14,032	8,200	6,960	29,192
128	Minjey Gewog, Lhuentse	4,386	12,190	17,200	36,820	66,210
129	Maenbi Gewog, Lhuentse	4,390	12,630	2,200	2,180	17,010
130	Maedtsho Gewog, Lhuentse	4,476	12,732	16,895	28,820	58,447
131	Tsaenkhar Gewog, Lhuentse	4,725	13,464	11,847	0,060	25,371
132	Balam Gewog, Monggar	3,972	12,262	10,878	10,780	33,920
133	Chhaling Gewog, Monggar	4,375	11,860	1,972	0,000	13,832
134	Chagsakhar Gewog, Monggar	4,595	12,728	3,500	10,780	27,008
135	Dramedtse Gewog, Monggar	4,452	12,772	7,903	0,000	20,675
136	Drepoong Gewog, Monggar	4,413	11,496	19,700	11,584	42,780
137	Gongdue Gewog, Monggar	4,449	13,848	6,761	16,180	36,789
138	Jurned Gewog, Monggar	4,481	13,146	2,578	10,780	26,504
						30,985

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
139	Kengkhar Gewog, Monggar	4,738	14,444	10,915	50,000	75,359
140	Monggar Gewog, Monggar	4,921	12,406	26,278	10,780	49,464
141	Ngatshang Gewog, Monggar	4,695	11,634	4,018	0,000	15,652
142	Saling Gewog, Monggar	4,898	13,756	4,550	16,880	35,186
143	Shermuoong Gewog, Monggar	4,443	13,182	1,818	0,000	15,000
144	Silambi Gewog, Monggar	4,389	13,710	7,878	130,640	152,228
145	Thangrong Gewog, Monggar	4,468	12,826	1,000	0,000	13,826
146	Tsakaling Gewog, Monggar	4,479	12,178	3,878	21,200	37,256
147	Tsamang Gewog, Monggar	3,939	12,130	2,878	0,000	15,008
148	Nárang Gewog, Monggar	4,163	12,044	8,228	11,445	31,717
149	Chongshing Gewog, Pema Gatshel	4,472	11,562	26,198	62,960	100,720
150	Chhimoong Gewog, Pema Gatshel	4,511	11,458	1,000	5,520	17,978
151	Dungmaed Gewog, Pema Gatshel	5,213	12,056	0,500	8,700	21,256
152	Khar Gewog, Pema Gatshel	4,400	12,652	26,078	30,400	69,130
153	Shumar Gewog, Pema Gatshel	4,568	14,160	21,878	40,400	76,438
154	Yurung Gewog, Pema Gatshel	4,442	11,420	11,678	13,550	36,648
155	Zobel Gewog, Pema Gatshel	4,364	12,156	1,500	0,000	13,656
156	Dechhenling Gewog, Pema Gatshel	4,966	12,418	9,578	34,510	56,506
157	Norboogang Gewog, Pema Gatshel	4,520	15,042	26,148	6,150	47,340
158	Nanong Gewog, Pema Gatshel	4,397	12,788	1,000	0,000	13,788
						18,185

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
159	Chhoekhorling Gewog, Pema Gatshel	4.416	11.346	8.278	0.000	19.624
160	Phuentshothang Gewog, Samdrup Jongkhar	5.063	14.660	31.050	61.330	107.040
161	Pemathang Gewog, Samdrup Jongkhar	4.398	11.824	19.378	1.200	32.402
162	Gomdar Gewog, Samdrup Jongkhar	4.496	14.574	8.700	30.200	53.474
163	Wangphoog Gewog, Samdrup Jongkhar	3.955	13.338	8.500	0.000	21.838
164	Langchenphu Gewog, Samdrup Jongkhar	4.438	12.046	9.000	35.400	56.446
165	Lauri Gewog, Samdrup Jongkhar	4.462	14.168	15.348	11.916	41.432
166	Marishala Gewog, Samdrup Jongkhar	4.761	13.768	16.878	54.820	85.466
167	Dewathang Gewog, Samdrup Jongkhar	4.258	11.714	14.678	71.720	98.112
168	Orong Gewog, Samdrup Jongkhar	4.898	13.768	11.490	25.000	50.258
169	Samrang Gewog, Samdrup Jongkhar	4.615	10.230	6.720	55.027	71.977
170	Serthig Gewog, Samdrup Jongkhar	3.893	13.462	5.878	0.000	19.340
171	Barisham Gewog, Trashigang	4.117	12.110	16.380	11.033	39.523
172	Bidoong Gewog, Trashigang	4.144	12.284	11.228	36.031	59.543
173	Kanglung Gewog, Trashigang	4.111	15.976	8.078	23.031	47.085
174	Kangpara Gewog, Trashigang	4.168	13.412	26.578	19.000	58.990
175	Khaling Gewog, Trashigang	4.735	14.256	7.000	11.031	32.287
176	Lumang Gewog, Trashigang	4.686	14.174	5.378	0.000	19.552
177	Merag Gewog, Trashigang	4.164	14.218	3.878	6.140	24.236
178	Yangnyer Gewog, Trashigang	4.421	12.902	26.578	12.531	52.011
						56.432

Sl. No	Gewogs	Current (A)	Capital			Total Allocation (F)=(A+E)
			RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	
179	Phongmed Gewog, Trashigang	4,144	14,174	11,028	1,500	26,702
180	Radi Gewog, Trashigang	4,119	13,540	11,528	51,840	76,908
181	Sagteng Gewog, Trashigang	4,130	14,304	7,078	51,600	72,982
182	Samkhar Gewog, Trashigang	4,400	12,902	11,228	0,000	24,130
183	Shongphoog Gewog, Trashigang	4,108	14,678	11,228	11,031	36,937
184	Thrimshing Gewog, Trashigang	4,286	13,130	10,078	11,031	34,239
185	Udzorong Gewog, Trashigang	4,273	14,186	26,078	0,000	40,264
186	Soe Gewog, Thimphu	4,764	11,846	8,678	5,870	26,394
187	Chang Gewog, Thimphu	4,567	11,336	7,378	50,000	68,714
188	Darkarla Gewog, Thimphu	4,189	10,316	10,378	0,000	20,694
189	Genyen Gewog, Thimphu	5,311	10,018	5,578	0,000	15,596
190	Kawang Gewog, Thimphu	4,442	12,106	3,917	4,640	20,663
191	Lingzhi Gewog, Thimphu	4,701	12,562	5,317	10,175	28,054
192	Maedwang Gewog, Thimphu	4,611	12,524	16,378	67,650	96,552
193	Naro Gewog, Thimphu	4,525	11,570	9,448	52,690	73,708
194	Khamaed Gewog, Gasa	4,347	10,850	12,300	13,660	36,810
195	Khatoed Gewog, Gasa	4,289	10,810	26,578	8,800	46,188
196	Laya Gewog, Gasa	4,535	13,964	15,700	27,054	56,718
197	Lunana Gewog, Gasa	4,698	17,522	0,400	369,550	387,472
198	Boondeling Gewog, Trashi Yangtse	4,633	14,904	5,000	29,180	49,084
						53,717

Sl. No	Gewogs	Current (A)	RGoB Block (B)	Project-Tied External (C)	Centrally Executed (D)	Total Capital (E)=B+C+D	Total Allocation (F)=(A+E)
199	Jamkhar Gewog, Trashi Yangtse	4,515	11,886	12,500	9,955	34,341	38,856
200	Khamdang Gewog, Trashi Yangtse	4,400	14,162	0,500	26,097	40,759	45,159
201	Ramjar Gewog, Trashi Yangtse	4,432	11,674	7,600	0,000	19,274	23,706
202	Toedisho Gewog, Trashi Yangtse	4,777	12,948	13,350	2,200	28,498	33,275
203	Tongmizhangsa Gewog, Trashi Yangtse	4,450	12,640	23,700	2,500	38,840	43,290
204	Yalang Gewog, Trashi Yangtse	4,474	12,250	4,700	21,233	38,183	42,657
205	Yangtse Gewog, Trashi Yangtse	4,072	12,992	16,400	6,100	35,492	39,564
Total		909,690	2,600,000	2,057,606	3,992,306	8,649,912	9,559,602

Annexure 4: Budget Allocation for Legislative, Judiciary and Constitutional Bodies for FY 2025-26

National Assembly of Bhutan

Nu. in million

Sl. No.	Name of Activities	Recurrent	Capital
1	Current grants including pay and benefits	164.259	
2	Support to Committees through citizen engagement program		0.850
3	Conduct Parliamentary media symposium and conduct Parliament CSO meet		0.800
4	Advances legislative drafting training and statutes of interpretation		0.496
5	Development of Constituency dashboard		1.000
6	Procurement of furniture, equipment and minor maintenance (Capital Block Grant)		1.762
Total		164.259	4.908

National Council of Bhutan

Nu. in million

Sl. No.	Name of Activities	Recurrent	Capital
1	Current grants including pay and benefits	110.398	
2	Consultation meeting on youth unemployment		0.600
3	Awareness on the usage of citizen engagement platform		0.850
4	Advanced Legislative drafting training and statutes of interpretation		0.300
5	Conduct workshop on public hearing		0.800
6	Capacity building of Parliamentarian role in monitoring international treaties		0.800
7	Procurement of furniture, equipment and minor maintenance (Capital Block Grant)		0.838
Total		110.398	4.188

Judiciary

Nu. in million

Sl. No.	Name of Activities	Recurrent	Capital
1	Current grants including pay and benefits	364.390	
2	Develop Case Management and e-Litigation System		6.000
3	DPR for construction of Thimphu Dzongkhag Court (Phase I)		1.000
4	Provide personnel development programs like well-being mentorship and design thinking		2.000
5	Conduct short term training for judicial personnel on emerging issues		7.000
6	LLM Program for Judicial personnel		8.979
7	Procurement of furniture, equipment and minor maintenance (Capital Block Grant)		9.600
Total		364.390	34.579

Anti-Corruption Commission

Nu. in million

Sl. No.	Name of Activities	Recurrent	Capital
1	Current grants including pay and benefits	137.818	
2	Implement strategic anti-corruption roadmap 2030 and align to GMCs context for agile anticipatory and innovative anti-corruption policies and programs		2.882
3	Conduct mandatory and specialized professional development programs to enhance 40 percent of the existing staff competencies to advance and expert proficiency levels		8.500
4	Initiate system integration with core justice institutions RBP, OAG and RCoJ based on the comprehensive data integration blueprint adopted under the justice sector strategic plan 2024 to 2029		1.000
5	Develop extended module on operations management in CIMS		1.500
6	Develop and pilot proof of concept (POC) on generative AI and predictive machine learning based data analytical tools and modules in the existing business systems		5.000

Sl. No.	Name of Activities	Recurrent	Capital
7	Install and operationalize technological infrastructure for technology-based work progress to remain conversant with the state-of-the-art institutional capacity		6.720
8	Conduct national integrity assessment and publish the report by end of May 2026 NIA		6.500
9	Implement integrity venting report as mandatory for vulnerable professions in CS irrespective of position level with 100 % compliance to reports issued under adverse category		0.500
10	Conduct 11 or more system studies in vulnerable sectors and agencies for evidence-based corruption prevention		0.200
11	Implement business integrity program by adopting DAMTSI BIZ certification as mandatory in the financial and construction sector		0.500
12	Conduct assessment verification and training on asset declaration and management to improve performance score to 87 %		0.700
13	Development implement and monitor 3 or more behavioral change programs under the youth integrity program		1.487
14	Development implement and monitor 3 or more tailor made profession specific thematic training programs		1.525
15	Conduct anti-corruption engagement programs in 4 or more vulnerable sectors agencies and 60 gewogs		0.506
16	Procurement of furniture, equipment and minor maintenance (Capital Block Grant)		3.110
Total		137.818	40.630

Election Commission of Bhutan

Nu. in million

Sl. No.	Name of Activities	Recurrent	Capital
1	Current grants including pay and benefits	49.170	
2	HRM with performance management and evaluation system		0.500
3	Development of comprehensive election management system with integration of Bhutan NDI		2.000
4	Online voting system design and specification		0.100
5	Electoral registration BERMs training for dzongkhag electoral registration officers		0.800
6	Procurement of 2000 numbers electronic voting machines and transportation		45.495
7	Procurement of 2000 numbers of batteries for power pack		0.400
8	Office management program for party secretariat		0.430
9	Conduct of civic and voter education and awareness programs in dzongkhags including gewog, chiwog, thromde, school, institutes		2.750
10	Long-term studies		0.252
11	Leadership development program		0.621
12	Home appliance repair and maintenance		0.100
13	CCTV installation technician NSQF 4		0.100
14	Geospatial information system		2.450
15	Training on dispute settlement and investigation		2.450
16	Procurement of furniture, equipment and minor maintenance (Block Grant)		1.960
Total		49.170	60.408

Royal Audit Authority

Nu. in million

Sl. No.	Name of Activities	Recurrent	Capital
1	Current grants including pay and benefits	207.928	
2	Continuing professional development policy of auditors		4.000
3	Outsourcing of audit services		3.000
4	Capacity development program long term training – association of certified chartered accountants		12.832
5	Conduct audit awareness and sensitization		0.400
6	Procurement of furniture, equipment and minor maintenance (Capital Block Grant)		1.680
Total		207.928	21.912

Royal Civil Service Commission

Nu. in million

Sl. No.	Name of Activities	Recurrent	Capital
1	Current grants including pay and benefits	78.231	
2	UG scholarship student placement in university colleges In India		85.000
3	UG scholarship student selected under Kings Scholarship and third countries placed in top colleges and universities		293.551
4	UG scholarship student under Assistance to Privately Enrolled Medical Students (APEMs) placed in top 50 universities colleges and host countries		26.187
5	UG scholarship student selected for in-country top colleges		14.000
6	Nehru Wangchuck Scholarship		16.320
7	Cost sharing for HRD Programme -Long Term		14.478
8	Strategic HRD Programmes Long Term Training and Short-Term Training Professional Skill and Competency Development of Civil Services under GoI PTA funding		150.000
9	Cost Sharing for HRD Programme Short Term		4.563
10	Special fully funded RGoB Scholarships		87.352
11	Conduct Empathy Skills Training		0.482
12	Foundational in-service training phase I		6.949

Sl. No.	Name of Activities	Recurrent	Capital
13	Foundational in-service training phase II		1.933
14	Institutionalization of mandatory training in the ZEST for all civil servants in PMC on Performance Management System		10.000
15	Issuance for Civil Service Award		7.003
16	Leadership Development Program		6.000
17	Training of leader on Critical Leadership Competency Based on gaps		20.000
18	E2B10X Lab Projects		10.000
19	Procurement of furniture, equipment and minor maintenance (Capital Block Grant)		1.421
Total		78.231	755.239

Annexure 5: Economic Classification of Expenditure for FY 2025-26

Nu. in million

OBC	Object Classification	Appropriation
	Recurrent Expenditure	
1.01	Pay and Allowances	25,301.008
2.01	Other Personnel Emoluments	837.843
3.01	Medical Benefits - Incountry	10.000
3.02	Medical Benefits - India	35.500
3.03	Medical Benefits - Outside India	65.000
4.01	Special Allowance	72.804
4.02	Special Allowance - Kidu/Pensioners	1.796
5.01	Stipends	3,686.941
7.01	Current Grant- Activity Based	528.637
7.02	Current Grant - Operation & Management	9,057.261
11.01	Travel - Incountry	121.568
11.02	Travel - Outside Bhutan	154.396
11.03	Travel - (LTC/Leave Travel Concession)	23.145
12.01	Utilities -Telephones and Internet	12.705
12.02	Utilities - Postage	0.201
12.03	Utilities - Electricity, Water, Sewerage, Waste	10.550
12.05	Utilities - Fuelwood	3.700
13.01	Rental of Properties - Buildings	0.560
14.01	S & M - Office Supplies, Printing, Publications	18.594
14.02	S & M - Medicines & Laboratory Consumables	4.230
14.03	S & M - Fertilizers, Chemicals, Manures, Inoculants	0.250
14.04	S & M - Seeds, Seedlings	0.500
14.05	S & M - Animal Feeds	10.000
14.06	S & M - Uniforms, Extension Kits, Linens	0.300
15.01	Maintenance of Property - Buildings	61.320
15.02	Maintenance of Property - Vehicles	0.972
15.05	Maintenance of Property - Equipment	0.150
15.07	Maintenance of Property - Computers	0.100
17.01	Op. Exp. - Advertising	0.880
17.02	Op. Exp. - Taxes, Duties, Royalties, Fees, Handling Charges, Bank Charges	15.343
17.08	Op. Exp. - Incountry Meetings and Celebrations	24.991

OBC	Object Classification	Appropriation
17.09	Op. Exp. - Survey/Census	2,130
18.01	Hospitality & Entertainment	78,080
21.01	Current Grants - Individuals/Non-profit Orgs.	412,497
21.02	Current Grants - Sungchop	532,157
22.01	Current Grants - Financial Institutions	86,567
22.02	Current Grants - Non-Financial Institutions	783,515
24.03	Contributions - Provident Fund	1,737,284
25.01	Retirement Benefits	345,332
26.01	General Provisions	3,534,478
31.01	Interest Payment - Internal	2,745,858
31.02	Interest Payment - External	8,162,074
Total Current Expenditure		58,481.217
Capital Expenditure		
41.01	Acquisition of Immovable Property - Land	10,000
42.01	Capital Grant	6,800,000
42.02	Capital Grant- Centrally Planned	129,347
45.01	Training - Human Resource Development	1,005,145
45.02	Training - Others	2,523,895
45.03	Training: Undergraduate Scholarship	516,565
51.01	Exp. on Structure - Buildings	7,110,324
51.02	Exp. on Structure - Roads (incl.culverts,drns)	6,591,699
51.03	Exp. on Structure - Bridges	695,067
51.04	Exp. on Structure - Irrigation Channels	523,186
51.05	Exp. on Structure - Drainage Systems	30,620
51.06	Exp. on Structure - Water Supply & Sanitation	1,256,807
51.07	Exp. on Structure - Plantations	249,183
51.08	Exp. on Structure - Others	3,589,565
52.02	Plant & Equipt. - Power Generation	658,622
52.03	Plant & Equipt. - Power Trans. & Dist.	24,940
52.04	Plant & Equipt. - Telecommunications	965,810
52.05	Plant & Equipt. - Agricultural Machineries	11,536
52.06	Plant & Equipt. - Livestock	57,835
52.07	Plant & Equipt. - Hospital/Lab. Equipment	2,446,351
52.08	Plant & Equipt. - General Tools, Instruments	1,493,713
53.01	Purchase of Vehicles	732,721

Object Classification	Appropriation
54.01 Furniture	40.163
54.02 Office Equipment	126.241
54.03 Computers & Peripherals	95.959
55.01 Professional Services	2,950.841
56.01 General Provisions	1,883.311
57.01 System Development	715.239
61.01 Capital Grants - Individuals/Non-Profit Orgs.	15,883.718
61.02 Capital Grants - Sungchop	0.265
62.01 Capital Grants - Financial Institutions	1,206.990
62.02 Capital Grants - Non-Financial Institutions	122.507
63.01 Acquisition of Equities/Shares	281.920
Total Capital Expenditure	60,730.085
65.02 Total Lending Expenditure	1,864.145
70.01 Repayment of Debt Principal - Internal	4,000.000
70.02 Repayment of Debt Principal - External	13,425.216
Total Repayment Expenditure	17,425.216
Total Budget Appropriation	138,500.663

Annexure 6: Major Capital Activities under Various Sectors for FY 2025-26

I. Health Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Health			
1	Procurement of Mobile Medical Units (MMU) 17 Ambulance	159.000	ADB
2	Procurement of Medical Equipment	519.000	ADB
3	Construction of Mother and Child Hospital at Monggar	267.000	GoI PTA
4	Implement Accelerating Mother and Child Health Program	72.000	W/Bank
National Medical Services			
1	Procurement of Additional CT scan and MRI in JDWNRH	1,155.000	RGoB
2	Procurement of Medical Equipment and Devices	700.000	RGoB
3	Procurement and Distribution of Medical Spare Parts	90.000	RGoB
4	HRD, Long Term Training (New and Continuation)	75.000	RGoB
5	Continued Medical Education	21.100	RGoB
6	Repair and Maintenance of High-end Medical Equipment	10.000	RGoB
The Pema Centre			
1	Construction of The PEMA Centre (60 bedded hospital for mental health care and rehabilitation)	71.925	RGoB
2	Establish National Reintegration and Aftercare Centre	40.000	RGoB

II. Education Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Education and Skills Development			
1	Establishment of Central Schools	1,524.945	GoI PTA
2	Youths' Jobseekers NGG enrolled in DWPSD Institutes	222.670	PforR IDA
3	Augmentation of existing DWPSD administered Institutes	200.000	ADB
4	80 hours of Professional Development for Teachers National Level Priority and Need Based PD	95.000	GoI PTA

Sl.No	Name of Activity	Amount	Funding
5	Provide Adequate and Latest Training Tools and Equipment in line with Industry Standards	80.000	PforR IDA
6	Immersion Program Short Term Exchange Program Abroad	50.000	GoI PTA
7	Curriculum Alignment to Cambridge International Standards	48.900	PforR IDA
8	Establishment of Recovery School	47.500	RGoB
9	Establishment of International School	45.000	RGoB
10	STEM Premier School	45.000	RGoB
11	Youths' Jobseekers PWD trained through critical skills training	30.000	ADB
12	Establishment of Tama Vocational School	25.000	RGoB
13	Professional Development on Emotional Learning	25.000	GoI PTA
14	Construction of 34 New Toilets	17.733	World Bank
15	Implement the use of Zoala App for Students of classes 7 to 12 in the Schools of Thimphu Thromde	12.300	RGoB
16	Development of EMIS	11.500	UNICEF

Bhutan Council for School Examination and Assessment

1	Conduct NEA for classes III and VI	10.000	UNICEF
2	Alignment of the assessment system with Cambridge Standard	24.150	W/Bank

Royal University of Bhutan

1	Construction of Laboratory Building with Equipment and Site Development at CNR	147.445	GoI PTA
2	Renovation of Hostels at PCE	25.000	GoI PTA
3	Construction of International Centre for Sustainable Education and Wellbeing at PCE	27.000	GoI PTA
4	Construction of Academic Block at GCBS	40.140	GoI PTA
5	Major Repair and Maintenance of Infrastructures at GCBS	34.790	GoI PTA
6	Energy Efficient Electrical Network at JNEC	20.250	GoI PTA
7	Cyber Security Learning Space at GCIT	45.000	GoI PTA
8	Recruitment of International Faculty and Professional from Industry at CST	29.400	RGoB

III. RNR Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Agriculture and Livestock			
1	Development of two Commercial Chirup Farms at Samrang and Pemathang under Samdrup Jongkhar	142.12	GoI PTA
2	Establishment of Yarjugang Agriculture Commercial Farm	36.200	GoI PTA
3	Implementation of Million Fruit Tree Project	45.000	RGoB
4	Implementation of Million Fruit Tree Project	45.000	EU
5	Construction of Kuchi Diana Irrigation Channel in Yoeseltse Samtse	36.450	GoI PTA
6	Construction of Gudari to Meezhub Irrigation Scheme in Chasker Monggar	40.500	GoI PTA
7	Construction of Nemjo Khangkhu May Irrigation Scheme in Wangchang Paro	24.300	GoI PTA
8	Construction of Damchekha Irrigation Scheme in Log China Chhukha	60.008	GoI PTA
9	Construction of Karilum Irrigation Channel in Tseza Dagga	32.400	GoI PTA
10	Construction of Norbuthang Irrigation Scheme in Phuentenchu Tsirang	40.500	GoI PTA
11	Construction of Phakapari Irrigation Scheme in Radhi, Trashigang	51.840	GoI PTA
12	Construction of Ritsa Changyul Solar Pump Irrigation Guma, Punakha	16.194	GoI PTA
13	Establish Support Agrifood Enterprises through provision of Value Addition Equipment Processing Facilities Brand Promotion and Supply of Packaging Material for Market Ready Products	10.000	EU
Ministry of Energy and Natural Resources			
1	Nationwide Scientific Thinning and Extraction of Timber for Commercial	5.850	RGoB
2	Establishment of Tree Canopy Walk	8.325	BFL
3	50 Hectares of New Plantations Created and 54 Hectares of Existing Plantations Maintained	3.000	RGoB
4	163. 24 Hectares of Existing Plantations maintained	8.170	BFL

Sl.No	Name of Activity	Amount	Funding
5	38 Hectares of Existing Plantations maintained	2.020	Tangsibji Hydro Energy Ltd.
6	47 Hectare High Value Species Plantation established and maintained at Gakiling Haa, Gozhi Gewog Dagana, Barshong Tsirang and Dogar Paro	6.580	UNEP
7	Forest Nursery establishment and maintenance	3.880	RGoB/BFL/ UNEP
8	Preparation/Revision/Formation of Community Forest, Local Forest Management Plan, Forest Management Unit, Nonwood forest product, plan, National Norms for Nursery and Plantation 2019	6.187	RGoB/BFL/ UNEP
9	Forest Fire Prevention activities (Awareness, Scientific Burning, Development of Fire line, and Nature Reservoir Pond and Formation to Inter Forest Fire Coordination Group)	9.398	RGoB/BFL/ BTFEC
10	Carbon Platform Explored and Liaise with Potential Global Carbon Buyers by June 2026	4.000	RGOB/ BFL/ BTFEC
11	Procurement of Toyota Hilux for Phibsoo Wildlife Sanctuary	9.270	BFL
12	Construction of Range Office Gyalpoizhing, Yangtse, Haa FMU, Lobesa, Nganglam, Laya, and Shingkhar Beat Office	63.810	BFL
13	Construction of four Unit Staff Quarter at Sakteng Park Range	10.000	BFL
14	Functional Waste Information System Established and Enhance Zero Waste App and Enhancement Digitization and Launching of Environment Clearance Service System	4.150	RGoB
15	Develop and Operationalize National Environment Information System or Bhutan Climate Change Monitoring Reporting Verification System and Sectoral Information System	9.850	GEF
16	Train Relevant Institutions and Stakeholders in the Inventory Guidelines and Protocols and on the Nationally Determined Contribution Tracking System (150 Officials)	13.000	GEF
17	Develop Guidelines and Handbook Toolkits and Protocols for Sectoral and Country Specific Emission Factors	7.500	GEF

Sl.No	Name of Activity	Amount	Funding
18	Water Source Inventory for Sarpang, Samtse, Tsirang and Dagana	14.000	RGoB
19	Revision and Submission of Water Policy Vision and Water Bill to the Government	5.000	RGoB
20	Training on Water Supply Engineering and Climate and Hydrology Modeling	5.000	GEF-UNDP
21	Capacity Development on Smart Water Resources Management	5.700	GEF-UNDP
22	Develop Punatsangchhu River Basin Management Plan	5.572	GEF-UNDP

IV. Mining and Manufacturing Industries Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Industry, Commerce and Employment			
1	Development of Norbugang Industrial Park Samtse	211.254	RGoB
2	Development of Pasakha Dry Port	371.700	GoI PTA
3	Construction of Infrastructures for Nganglam Dry Port	250.645	GoI PTA
4	Development of Pasakha Industrial Park	33.600	RGoB
5	Operationalize and Management of Eastern PoL Depot, Garmani Monggar	116.800	RGoB
Ministry Of Energy and Natural Resources			
1	Airborne Magnetic and Gravity Survey in the Southern Belt and the Thimphu Paro Region	352.163	RGoB
2	Mapping of Metallic resources and exploration of high-grade industrial mineral resources	8.100	RGoB
3	Update Final Mines Feasibility Study (FMFS) Benefaction and Financial Modeling	2.000	RGoB
4	Exploration and Value addition of Minerals	3.800	RGoB

V. Road Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Infrastructure and Transport			
	Primary National Highway		
1	Construction of Khuru Kuenphen Bridge	38.000	GoI PTA
2	Construction of Revidrang Bridge at Kheri Yadi PNH	23.152	GoI PTA
3	Construction of 35M Span Pakhadrang Bridge on Kheri Yadi PNH	26.990	GoI PTA
4	Construction of Rollong Bridge at Kheri Yadi PNH	25.000	GoI PTA
5	Construction of Gektong Zam on Nangar Ura PNH	18.754	GoI PTA
6	Design of Singeychhu Bridge along Pasakha Manitar PNH	5.000	RGoB
7	Improvement of Daraychhu to Relanthang along Tsirang Sarpang PNH	175.000	GoI PTA
8	Improvement and Widening of Trongsa Rafee PNH on Trongsa Gelephu PNH	350.000	GoI PTA
9	Improvement of Wangduezam Waklatay PNH	100.000	GoI PTA
10	Improvement of Yongkola Lingmithang PNH	300.000	GoI PTA
11	Improvement of Pangri Zam Chamina Access Road to PNH Standard	25.000	GoI PTA
12	Construction of Box Drain along Rinchending Pasakha Manitar PNH	0.300	RGoB
13	Construction of Sherichu Zam on Chazam to Yadi PNH	35.500	RGoB
14	Construction of Rigid Pavement on Lingzin Tsenkari PNH	60.000	RGoB
15	Resurfacing of Wangdue Chuserbu PNH	80.000	RGoB
16	Resurfacing of Amochu to Woezergang PNH	90.000	RGoB
17	Resurfacing of Samtse to Woezergang PNH	10.000	RGoB
18	Boxcut Bypass (Jigmecholing To Tshachu Top)	204.000	GoI PTA
	Secondary National Highway		
1	Improvement and Resurfacing of Punakha Gasa SNH	108.700	RGoB
2	Construction of Dramzam on Samtse Sibsoo Roads (Spillover)	8.760	GoI PTA
3	Construction of RCC Bridge at Tsangchuthama at Phuntshothang along Dewathang Samrang SNH	160.000	GoI PTA
4	Design of Chumpathang Zam on Samtse to Tendu	6.209	GoI PTA

Sl.No	Name of Activity	Amount	Funding
5	Design of Kuchidiana Zam on Samtse to Tendu	6.209	GoI PTA
6	Improvement Works on Gangola Lhuentse Road	184.500	GoI PTA
7	Improvement of Latsona to Phutsuna on Haa Samtse	175.000	GoI PTA
8	Construction of RCC Slab Culvert on Rafee Langthel Koshala SNH	3.210	RGoB
9	Improvement of Bajo Khuru SNH	8.311	RGoB
10	Tingthana Zam Strengthening on Punakha Gasa SNH	7.560	RGoB
11	Preparation of DPR for improvement of Norbugang Tendu SNH	0.500	RGoB
12	Preparation of DPR for improvement of Sunkosh Dagana SNH	0.500	RGoB
13	Resurfacing of Wangdigang Zhemgang SNH	24.640	RGoB
14	Upgradation of Wolokha Talo Dz Road to SNH Standard	68.500	RGoB
15	Construction of 35 meter Span Rablaythang Zam on Punakha Gasa SNH	32.000	GoI PTA
16	Road Widening from Samtse to Norbugang and blacktopping with permanent works complete (spillover)	100.900	GoI PTA
Dzongkhag Roads			
1	Improvement of Dzongkhag roads (including DPR preparation)	1,633.903	GoI PTA
2	Improvement of Dzongkhag roads (including DPR preparation)	32.000	RGoB

VI. Housing and Community Amenities

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Infrastructure and Transport			
1	Implementation of Gelephu Flood Protection	240.000	RGoB Contribution/ Invest International
2	Transport and Mobility Improvement in the National Capital Region	280.000	GoI PTA
3	Green Infrastructure and open spaces in Thimphu	160.000	GoI PTA

4	Improvement of Water Distribution Main and Network in Changzamtog	32.900	GoI PTA
5	Construction of Water Distribution Network at Tsimasham Chhukha	25.500	RGoB
6	Construction of Integrated Drinking Water Irrigation Scheme at Hetshotsamchu	100.000	RGoB Contribution/ADB
7	Construction of integrated drinking water and irrigation scheme Zhemgang Dzongkhag	342.550	RGoB Cont./ADB
8	Detailed design and construction of Government Office Complex	200.000	GoI PTA

VII. Communication Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
GovTech Agency			
1	Procurement of bulk bandwidth on longterm contract for government network	343.740	W/Bank
2	Development of Bhutan Integrated Taxation System	233.000	RGoB
3	Development and enhancement of existing systems for four government clusters	118.215	RGoB
4	Enhance and upgrade Government Data Centre primary DrukREN and backup site at Bumthang	113.000	W/Bank
5	Develop and deploy Integrated Financial Management Information System	100.000	EU
6	Management and execution of work plan for Government Security Operation Centre establishment and operationalization	85.000	W/Bank
7	Develop NDI capabilities to support trade eco-system	80.000	W/Bank
8	Government agencies clearance systems upgrade for National Single Window integration	78.960	W/Bank
9	Create domestic redundancy rings in 5 critical Dzongkhags and nationalize critical BPC Optical Ground Wire assets	75.000	RGoB
10	Conduct foundation digital literacy hands on training for citizens	56.000	GoI PTA
11	Strengthen connectivity between the Government Data Centre and activity Disaster Recovery site at Bumthang	63.000	W/Bank
12	Enhance agencies internal network connecting trade and logistics centers	42.990	W/Bank

Sl.No	Name of Activity	Amount	Funding
13	Supply installation and configuration of firewall at core network level connecting trade and logistics centers	37.500	W/Bank
14	Build or enhance common network shelter for housing core network infrastructures in Dzongkhags and Thromdes connecting trade and logistics centers	33.600	W/Bank
15	Provide annual maintenance contract for government online systems	31.400	RGoB
16	Procure satellite platforms, launch satellite and essential flight model test equipment	25.000	RGoB
17	Develop three GovStack Block for Trade Facilitation	23.200	W/Bank
18	Establishment of 3 rd International Internet Gateway	23.180	GoI PTA
19	Development of machine translation, text to speech, and Automatic speech recognition model for Dzongkha	20.500	GoI PTA
20	Extend Government Initiated Network	19.500	RGoB
21	Development of Critical Information Infrastructure Protection Guidelines	11.900	W/Bank
Bhutan Information, Communication and Media Authority			
1	Implementation of Rural Communication Project	98.000	USF

VIII. Energy Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Energy and Natural Resources			
1	200 Numbers of 3KWp Grid Tied Solar Photovoltaic Systems Commissioned at Zhemgang	69.762	ADB
		0.300	RGoB Contribution
2	Installation and commissioning of Additional 5 MWp Sephu Solar PV Project Phase II	194.150	ADB/Loan
		112.280	ADB/Grant
		1.640	RGoB/USF Contribution
3	Develop 500 KW Hydropower Project at Lunana	337.280	GoI PTA
4	Carry out Feasibility Study of Potential Solar Projects	10.376	RGoB
5	Development of Energy Information System	7.100	GEF

IX. Religion and Cultural Service Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Home Affairs			
1	Extension of Trashiyangtse Dzong	45.000	RGoB
2	Dechenphodrang Redevelopment Project, Thimphu	180.000	RGoB
3	Construction of Monastic Complex in Barshong Thimphu	20.000	RGoB
4	Tango Restoration Project, Thimphu	71.625	RGoB
5	Conservation of Zhemgang Dzong	50.000	RGoB
6	Construction of Bhutan Monastery at Lumbini Nepal	20.000	RGoB
7	Sangchoekhor Restoration Project, Paro	70.000	GoI PTA
8	Rigsum Goenpa Restoration Project, Trashiyangtse	50.000	GoI PTA
9	Dzong Construction Project Sarpang	140.000	GoI PTA
10	Construction of Gyalsung Lhakhang	225.000	GoI PTA
Dratshang Lhentshog			
1	Construction of 9 Tshamkhangs and Toilet at Larjab Drupdey Monggar	12.100	GoI PTA
2	Construction of Drasha and Debri at Gonpong Duedul Lobdra Zhemgang	10.000	GoI PTA
3	Construction of two Storied Classroom at Kangkung Thorim Shedra Trashigang	10.000	GoI PTA
4	Construction of Lams Residence at Delma Lhakhang Thimphu	10.500	RGoB
5	Construction of Drasha at Pagargoenzin Dratshang Chhukha	9.000	GoI PTA
6	Major Renovation of Dokhacho Goenpa under Chapcha Gewog	21.000	GoI PTA
7	Development of Langka Goenpa as Drubdey Tewa Thimphu	11.000	GoI PTA
8	Pangrizampa Redevelopment Project Thimphu	30.600	GoI PTA
9	Development of Haa Sombaykha Dorikha Lobdra Haa	10.000	GoI PTA
10	Major Renovation of Druk Thinleygang Lhakhang under Toep Gewog Punakha	10.000	GoI PTA
11	Major Renovation of Tashichoeling Zorik Pekhang Trongsa	10.000	GoI PTA
12	Institution of Zhung Dratshang Office based on Transformative Initiatives Thimphu	10.000	GoI PTA

Sl.No	Name of Activity	Amount	Funding
13	Major Renovation of Nebji Gonpa Lobdra at Sombaykha Haa	10.000	GoI PTA

X. Law and Order Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Home Affairs			
1	Construction of Municipality Walls at Jomotshangkha	17.000	RGoB
2	Construction of Municipality Walls at Gomtu	25.000	RGoB
Royal Bhutan Police			
1	Procurement of six Patrol cars to improve police services	55.020	RGoB
2	Install Security Surveillance CCTV in extended areas in Thimphu	5.000	RGoB
3	Office equipment, computers & peripherals, general tools & training equipment	9.000	RGoB
4	Short term and long term courses in Bhutan and India	15.000	GoI PTA
5	Construction of Division Office and Police Station at Division I, Paro	9.000	GoI PTA
6	Construction of Division Office and Police Station at Division IX, Trashigang	15.000	GoI PTA
7	Construction of Division Office and Police Station at Division XIV, Trashiyangtse (spillover)	16.980	GoI PTA
8	Construction of academic block for cadets & recruits in Police Training Institute, Jigmeling (spillover)	7.000	GoI PTA
9	Construction of 24 Unit Family Quarter at Monggar Division	18.000	GoI PTA
10	Construction of Multi Purpose Hall at RBP HQ, Thimphu	20.000	GoI PTA
11	Construction of Detention for Thimphu Police Station	20.000	GoI PTA
12	Site development of detention center at Gelephu	7.000	GoI PTA
13	Construction of football turf in Jigmeling for cadets and recruits.	25.000	GoI PTA
14	Blacktopping of drill ground at Jigmeling	8.550	GoI PTA
15	Renovation of six block Family Quarters and Kitchen in Samtse Police station	9.500	GoI PTA

Sl.No	Name of Activity	Amount	Funding
16	Blacktopping of roads at Phomshing, Trashigang Division office.	7.220	GoI PTA
17	Construction of G+2 family Quarters at Lhunstse Division.	15.000	GoI PTA
18	Construction of G+1 Family Quarters in Trashiyangtse Division	15.000	GoI PTA
19	Construction of Women Prison in Chamgang	15.000	GoI PTA
20	Procurement of firefighting & rescue vehicles, and spare parts	33.600	GOI and RGoB
21	Procurement of automatic smart speed cameras for traffic management	6.170	RGoB
Judiciary			
1	Develop Case Management and e-Litigation System	4.000	RGoB
2	Conduct short term training for Judicial Personnel on emerging issues and developments	7.000	GoI PTA
3	LLM Program for Judicial Personnel	8.979	RGoB
Office of Attorney General			
1	Review Harmonize and Consolidate Laws	1.500	RGoB
2	Establish E Litigation Facilities	1.000	RGoB
3	Renovation of Conference hall	1.500	RGoB
4	Masters in Corporate and Finance International Criminal Law and AI Technology	3.750	GoI PTA
Bhutan National Legal Institution			
1	Attend Specialization Training for Judges	3.000	RGoB
2	Biennial Judicial Conference	1.586	RGoB

XI. General Public Service Sector

Nu. in million

Sl.No	Name of Activity	Amount	Funding
Ministry of Foreign Affairs and External Trade			
1	Procurement of Protocol vehicles	190.886	RGoB
2	Procurement of computer, equipment, office furniture and minor office maintenance	12.876	RGoB
3	Drawing and design for construction of chancery at RBE Dhaka	5.000	RGoB
4	Maintenance of boundary wall, sewer network and re-electrification of consulate office, RBCG Kolkata	2.850	RGoB

Sl.No	Name of Activity	Amount	Funding
5	Maintenance of boundary wall, sewer manholes, support staff quarters, electrical wiring in the embassy premises, RBE Delhi	2.200	RGoB
Ministry of Finance			
1	Border Management system (Spillover)	37.000	RGoB
2	Implementation of Phase I of GST and Phase 2 of BITS	15.980	RGoB
3	Integrate BIRMs with all the government collecting agencies and Bank of Bhutan and conduct advocacy on BIRMs	7.542	RGoB
4	Integrate Property Tax System with e-SAKOR and conduct advocacy	5.500	RGoB
Ministry of Home Affairs			
1	Develop Capacity of LG Functionaries	10.000	EU
2	Procurement of 4G CID Printers and Accessories PMS for 4G Printers CID Materials Accessories	9.500	RGoB
3	Automation of Immigration Clearance at Paro International Airport DoI	9.542	RGoB
National Land Commission			
1	DPR for Dhaneshey	3.200	RGoB
2	Development for Spatial Database Development Web GIS and Spatial	4.500	RGoB
3	Procurement of UAV with Lidar capability and accessories	3.500	RGoB
National Centre for Hydrology and Meteorology			
1	Construction of the National Center for Hydrology and Metrology Head Quarter and Scientific Facilities at Yusipang	50.000	GoI PTA
2	Construction of Calibration Laboratory at Yusipang	7.600	UNEP
3	Construction of Upper Air System Facilities and Related Infrastructure at Tsirang	20.500	UNEP
4	Procurement and Installation of Land Based Observation Automatic Weather Station at Tsirang and Spareparts for Other Automatic Weather Station	33.100	UNEP
5	GoI Support for Flood Warning Section	31.809	GoI PTA

Sl.No	Name of Activity	Amount	Funding
6	Establishment of Long-Term Stream Gauging Station with Ambient Water Quality Monitoring Sensors in Samtenlingchhu, Olarongchhu, Bemeng Rongchhu and Zamtogchhu	18.900	GEF-UNDP
7	Establishment of Weather and Climate Monitoring Station Chumphu Nye Area, Phajoding, Geneykha, Tsalunang and Thimphu Throm	22.300	GEF-UNDP
8	Assessment and Procurement of Critical Spare Parts for Puna Wangdi GloF Early Warning System	15.000	RGoB
9	Conduct Glacier Lake Outburst Flood (Glof) Hazard Assessment and Test Siphon on Thorthormi Glacial Lake in Lunana to Reduce GLOF Hazard	2.500	W/Bank

XII. Human Resource Development

Nu.in million

Sl.No.	Name of Activity	Amount	Funding
Royal Civil Service Commission			
1	Nehru Wangchuck Scholarship	16.320	GoI PTA
2	Cost Sharing for HRD programme Long-term training TICA	14.478	RGoB
3	GoI-PTA Strategic HRD programmes Long-term training and Short-term training professional skill and competency development of Civil Services	150.000	GoI PTA
4	Cost Sharing for HRD programme Short-term	4.563	RGoB
5	Special Fully Funded RGoB Scholarship	87.352	RGoB
6	Conduct Empathy Skills Training	0.482	RGoB
7	Foundational In-service Training Phase I	6.949	RGoB
8	Foundational In-service Training Phase II	1.933	RGoB
9	Leadership Development Programme	6.000	RGoB
10	Training of Leader on critical Leadership Competency based on gaps	20.000	RGoB
Ministry of Education and Skills Development			
1	M ED for in-service teachers in PCE	36.000	GoI PTA
2	M ED for in-service teachers in SCE	36.000	GoI PTA
3	Capacity building of the Project Management Unit	31.260	W/Bank
4	Immersion program Short-term exchange program abroad	50.000	GoI PTA

Sl.No.	Name of Activity	Amount	Funding
5	MA in Contemplative Counselling Psychology or other related masters courses	5.000	GoI PTA
6	Professional Development on Emotional Learning	25.000	GoI PTA
7	Short-term training Program for school counsellors	5.000	GoI PTA
Ministry of Agriculture and Livestock			
1	Training of project staff on monitoring and evaluation and knowledge management	2.500	IFAD
2	Exposure visit to learn good practices on value chain and enterprise development in IFAD-funded project sites in Nepal and CARLEP project sites within country	2.000	IFAD
3	Exposure visit to learn about permaculture practices in the neighboring country	1.130	IFAD
4	Training of DAMC staff to conduct user monitoring with feedback loops	0.200	WFP
5	Training of Gewog staff including extension on digital technologies	0.290	WFP
6	Capacity building on Advanced CRYO and vegetative banking for ex situ conservation of NHCS	0.631	BTFEC
7	Review of progress and end of AFACI project workshop	0.800	AFACI
8	Development of two commercial Chirup Farms at Samrang and Pemathang under Samdrupjongkhar	3.000	GoI PTA
9	Training on gravity irrigation network in hilly areas	6.550	GoI PTA
10	Training on hydrometer modeling for irrigation application system	1.400	GoI PTA
11	Training on survey using RTE and TS	7.130	GoI PTA
12	Participation in training and workshop principal investigator and co-principal investigator meeting	0.565	AFACI
13	Strengthen capacity of researchers on vegetable breeding and variety development	0.500	AFACI
14	Masters in veterinary epidemiology	3.360	FAO
15	Training of 10 laboratory technicians in KGUMSB for 3 years	7.000	FAO
16	Conduct table top and field simulation exercises to strengthen emergency response operations two table top and two field simulation exercises for generic and specific zoonosis	2.530	FAO

Sl.No.	Name of Activity	Amount	Funding
17	Strengthen laboratory capacity in the country curriculum development for the laboratory technician for the joint training programme	1.200	FAO
18	Refresher training on artificial insemination for field staff	1.000	IFAD
19	Exposure and knowledge sharing for use of chilled Swine semen	0.250	EU
Ministry of Infrastructure and Transport			
1	Aviation professional capacity development of DoAT	18.000	RGoB
2	Capacity building of engineers and technicians	3.000	GoI PTA
3	Redevelopment of SDMD database and training on the database	0.800	GCF
4	Training on the bridge monitoring inspection and maintenance to the engineers under Dzongkhag administration Thromdee and other agencies	0.500	RGoB
5	Training on the launching of Bailey bridges to the engineers under ROs, Dzongkhag Administration and other agencies	0.500	RGoB
6	Capacity building of relevant officials in disaster management GIS mapping surveying	2.000	RGoB
7	Capacity building on transport and mobility	5.000	GoI PTA
8	Capacity building of urban planners architects building inspectors GIS officers and surveyors	3.500	RGoB
9	Attending mandatory conferences congress seminars and workshops organized by universal postal union and APPU	2.000	RGoB
10	Capacity building on climate resilient green building technology for professionals (Engineers and Architects) and awareness for green building tool and standard	0.799	GEF-UNDP
11	Capacity building for relevant officials in the planning and designing of nature-based storm water and flood risk management	5.108	GEF-UNDP
12	Groundwork for green building standard rating tool and implementation of climate resilient building	1.164	GEF-UNDP
13	Implementation of capacity building for GIS officers and other professionals working in the application of GIS in climate and urban resilience	8.311	GEF-UNDP

Sl.No.	Name of Activity	Amount	Funding
14	Capacity building on urban planning and development using nature-based solution	4.152	GEF-UNDP
15	Training of trainers on climate resilient water infrastructure design planning implementation and office management under acrewas project	5.040	GEF-UNDP
16	Capacity building of the technicians and site engineers on the operation and maintenance of water and waste water system	4.990	GEF-UNDP
17	Adoption of building information modelling	10.000	RGoB
Ministry of Energy and Natural Resources			
1	Attend annual ozone meetings workshops and trainings as per the agreed small-scale fund agreement (SSFA)	2.000	UNEP
2	Conduct training to support implementation of the LEDs and ITS	1.000	GEF
3	Train relevant institutions and stakeholders in the inventory guidelines and protocols and on the NDC tracking system (150 officials)	13.000	GEF
4	Prepare and share knowledge production and best practice documents	5.500	GEF
5	Train relevant officials from relevant officials from relevant institutions on monitoring and reporting on NDC priority adaptation actions (50 staff)	1.000	GEF
6	Training of custom officials on refrigerant identification safe handling and ozone regulations	1.900	UNEP
7	Capacity building of project finance and accountant personnel	3.500	BTFEC
8	Training on water supply engineering and climate and hydrology modeling	5.000	GEF-UNDP
9	Capacity development on smart water resources management	5.700	GEF-UNDP
10	Training and capacity building on springshed management on new pilot sites	0.490	ICIMOD
11	Gender mainstreaming training to BFL focal officers in all PA and BCS	1.000	GCF
12	Refresher to all the field smart focal on smart application usage	0.100	WWF

Sl.No.	Name of Activity	Amount	Funding
13	Training on smart and cyber tracking	0.200	GCF
14	Refresher training on smart and cyber tracker	1.400	GCF
15	Theme based forestry training	0.990	IUCN
16	Training on emerging forestry practices sustainable resources management and technical skills	2.800	PD
17	Forest information reporting and monitoring system data management training	1.500	PD
18	Smart and cyber tracker ToT 28 field offices	1.200	GCF
19	Train relevant institutions and stakeholders on the inventory guideline and protocols and on the NDC tracking system	0.500	GEF
Ministry of Home Affairs			
1	Develop capacity of LG functionaries	10.000	EU
Ministry of Finance			
1	To strengthen the capacity of all the customs officials under all the regional offices for effective and efficient tax payer services	1.835	RGoB
2	Chartered institute of procurement and supply training for procurement officer	2.450	RGoB
Ministry of Health			
1	Laboratories produce quality data human health	3.522	FF
2	AMU surveillance strategy and protocol development human health	1.530	FF
3	AMC data gathered human health	0.388	FF
4	Integrated surveillance carried out	2.936	FF
5	Exchange programs for professionals and technical experts as part of capacity building	1.275	BF
6	Training On Data Analysis For 15 Tm Professionals	0.584	BF
7	Capacity building of authors and reviewers of Bhutan Sorig journal	0.584	BF
8	Master in entomology	2.000	GFATM
9	Ex-country training for two laboratory staff from the National influenza center for initiating NEQAS panel for regional PCR testing	0.520	CDC, USA

Sl.No.	Name of Activity	Amount	Funding
10	Ex-country training for two officials on advanced epidemiology	0.660	CDC, USA
Ministry of Industry, Commerce and Employment			
1	Upskilling of NBS entrepreneurship competencies for relevant officials	5.818	GEF-UNDP
Khesar Gyalpo University of Medical Sciences of Bhutan			
1	Student elective exchange program and district posting	7.200	RGoB
2	Masters course in country	0.312	RGoB
3	Capacity building for staff	3.000	RGOB
4	Student faculty exchange anatomy dissection exposure examiners and institution visit for administrative staff	5.000	GoI PTA
5	3 year MD course in country	0.120	RGOB
6	Provide stipend for MD in acupuncture	0.658	RGOB
National Center for Hydrology and Meteorology			
1	Training workshop on meteorological observation and instrumentation for met observers (Operation and Maintenance)	1.240	UNEP
2	Training on meteorological observation and instrumentation for hydromet officers and technicians (Automatic weather station operations)	3.700	UNEP
3	In-house training on basic hydrological operation	0.800	GOI
4	Training on upper air observation (Weather data systems and WIS 2 point 0)	2.075	UNEP
5	Training on climate data management and analysis with centralized data management system (CDMS)	1.500	UNEP
6	In-house system training on forecast models and productions (System integration)	1.500	UNEP
7	Training on numerical weather predictions model for weather forecasting	1.200	GEF-UNDP
8	Mandatory training on aviation meteorological forecasting	3.000	RGoB
9	Training on ICAO certified training of the trainer (ToT) for aviation	1.500	RGoB
10	Training on advance hydrological modeling and flood forecasting climate change impact on hydrological flow regimes and impact base forecasting and warning	2.100	GEF-UNDP
11	Training on calibration and instrumentation of hydro met equipment and systems	2.700	UNEP

Sl.No.	Name of Activity	Amount	Funding
Royal University of Bhutan			
1	HRD capacity building for RUB faculties	23.362	RGoB
Royal Bhutan Police			
1	Short-term and Long-term course in Bhutan and in India	10.000	GoI PTA
Bhutan Civil Aviation Authority			
1	License proficiency check for fixed wing pilot	0.700	RGoB
2	License proficiency check and training for rotorcraft pilot	1.500	RGoB
3	Initial training for air traffic controller inspector	1.000	RGoB
4	Initial training for new flight operation inspector	1.000	RGoB
5	Cooperative development of safety continuing airworthiness program South Asia (COSCAP SA)	1.000	RGoB
6	Cooperative aviation security programme Asia Pacific (CASP AP)	0.600	RGoB
7	Mandatory representation to regional and international aviation forums and technical missions	5.000	RGoB
Bhutan Food and Drug Authority			
1	Training of all BFDA field officials on BBFSS	0.500	RGoB
2	Conduct Pest Risk Analysis and facilitate import and export of plants and plant products capacity building for plants quarantine officials and TWG members	0.200	RGoB
3	Training of lab personnel on various parameters in food matrices using GCMSMS and LCMSMS	2.000	RGoB
4	Initiating ISO 17020 accreditation for seed certification	0.350	RGoB
5	Monitoring and enforcement of pesticides and agro chemicals and capacity building on regulations	0.200	RGoB
6	Initiating ISO 17020 accreditation for meat business licensing	0.400	RGoB
7	MSC in veterinary epidemiology spillover	4.800	GoI PTA
8	Certification of auditors to undertake audit witness by NABCB assessment team	0.300	RGoB
9	Training of certification personnel on the understanding the requirements of internal control system ICS for group certification	0.100	RGoB

Sl.No.	Name of Activity	Amount	Funding
10	Competency building of certification personnel based on the requirement of the specified product standards against which the clients required certification	0.200	RGoB
11	Training of auditors on the international organic standards	0.200	RGoB
12	Training of upcoming certification personnel on lead auditor training	0.500	RGoB
13	Training on laboratory quality management system and technical requirements	0.500	RGoB
14	Hands on training for HG and as analysis using FIAS and Graphite furnace	0.500	RGoB
15	Hands-on training on sample preparation for fat analysis using hydrolysis unit.	0.500	RGoB
16	Training of auditors for heat treatment.	0.300	RGoB
17	Training on phytosanitary inspection and diagnosis for timber and WPM.	0.500	RGoB
18	Competency and capacity building of BFDA officials aligning with GMC modality.	0.500	RGoB
19	Internal professional training on enforcement, interdiction, risk assessment on NDPS to CSMD, and capacity building on urine drug tests for the agencies and centers.	0.150	RGoB
20	Computer-based training for competent law enforcement agencies on air and land control, delivery uncover, money laundering intelligence, and identification of controlled drugs.	0.600	RGoB
21	Training of BFDA field officials on inspection, sampling, and consignment verification of medical products.	1.000	RGoB
22	Capacity building of BFDA officials on participation in Codex works.	0.300	RGoB
23	Implementation of the provisions of the agreement signed between BFDA and FSSAI India to strengthen the capacity of BFDA on sampling of different food commodities against food hazards.	0.500	RGoB
24	Training and assessment of the BFDA food analysts to be authorized for testing food commodities as per FSSAI requirements.	0.500	RGoB

Sl.No.	Name of Activity	Amount	Funding
25	Strengthening the competence of BFDA officials on the FSSAI import control and clearance system for export of food, agriculture, and livestock commodities from Bhutan.	0.500	RGoB
26	Strengthening the competence and capability of BFDA officials on ISO 17020 2012 standard requirements.	0.200	RGoB
27	Competency building of the BFDA officials on GHP/ GMP criteria to increase the scope of food safety licensing, sampling of different food commodities, and analysis as per FSSAI and Codex sampling manual.	0.200	RGoB
28	Dossier evaluation of medical products involving relevant external experts.	1.300	RGoB
29	Training of medical store in-charges on good storage and distribution practices.	0.100	RGoB
30	Training on bioequivalence validation study protocols and reports.	0.700	RGoB
31	Training on biologics and biosimilars.	1.200	RGoB
32	Training on good manufacturing practices or quality systems for medical products including assessment of plant layout.	1.200	RGoB
33	Capacity building of healthcare professionals on pharmacovigilance and materiovigilance.	0.800	RGoB
National Medical Services			
1	Long-term training (New)	40.000	RGoB
2	Long-term training (Continuation)	35.000	RGoB
National Assembly of Bhutan			
1	Advanced legislative drafting training and statutes of interpretation.	0.496	GoI PTA
National Council of Bhutan			
1	Advanced legislative drafting training and statutes of interpretation.	3.000	GoI PTA
Judiciary			
1	Conduct short-term training for judicial personnel on emerging issues and developments.	7.000	GoI PTA
2	LLM program for judicial personnel	8.979	RGoB

Sl.No.	Name of Activity	Amount	Funding
Anti-Corruption Commission			
1	Conduct mandatory and specialized professional development programs to enhance 40 percent of the existing staff's competencies to advanced and expert proficiency levels.	1.812	GoI PTA
2	Conduct mandatory and specialized professional development programs to enhance 40 percent of the existing staff's competencies to advanced and expert proficiency levels.	6.688	RGoB
Election Commission of Bhutan			
1	Master in Business Administration at Royal Institution of Management.	0.252	RGoB
2	Training on dispute settlement and investigation.	2.450	GoI PTA
Royal Audit Authority			
1	Continuing professional development policy of auditors.	4.000	GoI PTA
2	Capacity development program (long-term training) – Association of Certified Chartered Accountants.	7.990	EU
3	Capacity development program (long-term training) – Association of Certified Chartered Accountants.	4.842	RGoB
Office of the Attorney General			
1	Training on cyber security law, anti-money laundering, human rights, IP law, public-private negotiation and drafting, research, and translation of legal analysis.	1.900	GoI PTA
2	Master's in corporate and finance, international criminal law, and AI technology.	3.750	GoI PTA
Royal Institute of Management			
1	Masters in Business Administration	4.705	RGoB
Royal University of Bhutan			
1	HRD capacity building for RUB faculties.	23.362	RGoB
Bhutan National Legal Institute			
1	Capacity building on child justice for newly recruited court registrars and judges	0.170	UNICEF
2	Child-friendly legal aid training for judges.	0.850	UNICEF
3	Advocacy on children's pretrial access to legal aid toolkit.	0.680	UNICEF

Sl.No.	Name of Activity	Amount	Funding
Cabinet Secretariat			
1	Professional service delivery	40.820	GoI PTA
Govtech			
1	Capacity building for IT professionals under ACCESS support.	10.550	W/Bank
The Pema Secretariat			
1	Master's degree for clinical counselors.	1.500	GoI PTA
Dzongkhag Administration, Chukha			
1	Conduct professional development programs for content pedagogy and ICT for teachers in schools.	1.215	GoI PTA
Dzongkhag Administration, Haa			
1	Professional development program for DEOs, principals, VPs, teachers, and support staff.	0.430	GoI PTA
2	Professional development on social and emotional learning.	0.300	GoI PTA
Dzongkhag Administration, Paro			
1	Professional development for teachers and staff under Paro Dzongkhag.	1.260	GoI PTA
Dzongkhag Administration, Dagana			
1	Professional development Programmes for the Teachers	0.740	GoI PTA
Dzongkhag Administration, Wangdue Phodrang			
1	Capacity building of the Principals and Teachers	0.990	GoI PTA
Dzongkhag Administration, Zhemgang			
1	Capacity building of principals, teachers, and support staff.	0.600	GoI PTA
2	Conduct health and wellbeing programs.	0.600	GoI PTA
Dzongkhag Administration, Trongsa			
1	Capacity building on content pedagogy and ICT for teachers in schools.	0.440	GoI PTA)
Dzongkhag Administration, Lhuentse			
1	Product operational assessment and monitoring by RPS.	0.260	GEF
2	Conduct professional development programs for teachers and non-teaching staff on pedagogy and ICT devices, aligning with 21 st century learning skills.	0.450	GoI PTA

Sl.No.	Name of Activity	Amount	Funding
3	Conduct professional development on social and emotional learning	0.370	GoI PTA
Dzongkhag Administration, Monggar			
1	Conduct of PD Program	1.070	GoI PTA
2	Professional development on social and emotional learning.	0.900	GoI PTA
Dzongkhag Administration, Pemagatshel			
1	Capacity building on content pedagogy and ICT for teachers in schools.	0.800	GoI PTA
Dzongkhag Administration, Samdrup Jongkhar			
1	Conduct of PD program	0.680	GoI PTA
Dzongkhag Administration, Trashigang			
1	Professional development program for teachers.	1.380	GoI PTA
2	Conduct professional development programs on social and emotional learning.	0.900	GoI PTA
Dzongkhag Administration, Gasa			
1	Capacity building for school leaders and teachers.	0.170	GoI PTA
2	Professional development on social and emotional learning.	0.250	GoI PTA
Dzongkhag Administration, Trashiyangtse			
1	Professional development for school and education leaders, teachers, and education personnel.	0.640	GoI PTA
Thimphu Thromde			
1	Professional development program for teachers and school leaders.	2.860	GoI PTA
2	Professional development for health and wellbeing programs.	0.810	GoI PTA
Phuentsholing Thromde			
1	Conduct capacity development program for school leaders, teachers, staff, and ECCD	0.100	GoI PTA
2	Capacity development for teachers, staff, and ECCDF on the use of ICT.	0.420	GoI PTA
Gelephu Thromde			
1	Capacity building of principals, teachers, and support staff.	0.380	GoI PTA

Sl.No.	Name of Activity	Amount	Funding
Samdrup Jongkhar Thromde			
1	Conduct professional development programs for SBIP, SJHSS, SJPS, and DPS.	0.210	GoI PTA

XIII. Gender Related Allocation for FY 2025-26

Nu. in million

Sl. No.	Agency	Name of Activity	Budget	Funding
1		Mainstream gender in local government decision making processes	3.000	EU
2	MoHA	Mainstream Gender, Environment, Climate, Disaster and Poverty (GECDP) with a focus on CCA and Gender through professional development and enhancing the performance of LG functionaries	1.630	BTFEC
3	MoHA	Conduct ME on the functioning of Gender Equality Plans (GEPS) and CAA, and gender mainstreaming in Local Government plans and projects	0.410	BTFEC
4	MoAL	Agri-processor forum for women, youth, and smallholder farmers	0.400	WFP
5		Introduce and expand Multiple Micro-nutrient Supplements (MMS) for pregnant and lactating women	1.530	UNICEF
6		Construction of the Mother and Child Hospital at Monggar	267.000	GoI PTA
7		Rollout of national guidelines on the management of child survivors of sexual and non-sexual abuse in health care setting in 10 districts	0.850	UNICEF
8	MoH	Conduct sensitization program for parents on identification management referral of sexual violence abuse including self harm in school going children in selected schools in Thimphu	0.170	UNFPA
9		Assessment of Benonc and cemonec facilities to improve service delivery for mother and child	1.700	WHO
10		Develop integrated health nutrition wash training module for children and adolescents in monastic institution, conduct ToT and capacity building including LEAD	1.275	UNICEF

SI. No.	Agency	Name of Activity	Budget	Funding
11	MoH	Advocacy for lifecycle nutrition intervention to prevent child food nutrition and malnutrition	0.850	UNICEF
12		Orientation of health workers from each facility on children environment health issues	1.100	UNICEF
13		Capacity building on management of service acute malnutrition in children	0.425	UNICEF
14		Implement an accelerating maternal and child health program	81.248	W/Bank
15		Revision of prevention of mother to child transmission guidelines 2006	0.500	WHO
16		Conduct training of trainers and cascade training on update midwifery standards	1.445	UNFPA
17		Capacity development of health workers on maternal nutrition, including compliance of multiple micronutrient supplements (MMS)	1.275	UNICEF
18		Establish lactation management clinics in central region	1.700	UNICEF
19		Assessment on compliance of national colposcopy and LEEP guideline improves the capacity of health workers to diagnose and treat cervical cancer	0.850	UNFPA
20	MoESD	Specialisation of counsellors qualification on areas such as mental health, SUD career counselling, gender sensitive counselling and family counselling	5.000	GoI PTA
21		Implementation of findings and recommendations of assessment conducted on social norms related to gender and child Marriage at National Level	0.621	UNFPA/UNICEF
22		Response to Gender Based Violence in emergencies for the Gender focal point of 20 Dzongkhags	0.255	UNFPA
23		Gender responsive and inclusive Community Development Plan for NBS	1.148	UNDP IPF
24		Capacity building of relevant officers on climate change risk impact on all vulnerable communities with inclusion of Gender in NBS	1.700	UNDP IPF

SI. No.	Agency	Name of Activity	Budget	Funding
25	MoESD	Industries, companies representatives' sensitization on Gender Equity and social inclusion	0.800	ADB
26		Develop 10 year roadmap for the National Commission for Women and Children	0.680	UNFPA
27		Legal needs assessment and review of CCPA 2011 and DVPA 2013	0.765	UNICEF
28		Develop standards and monitoring frameworks on Child Rights	0.850	UNICEF
29		Conduct gap analysis for Child Protection System including Justice for Children	4.250	UNICEF
30		Annual review of convention of the rights of child action plan	0.255	UNICEF
31		Support the reintegration program for women and children	0.500	RGoB
32		Observe international Women's and Children's Days	1.000	RGoB
33		Establishment and expansion of alternative ECCD Models such as mobile ECCD and home based ECCD	21.710	Save The Children
34		Conducting PD for ECCD Facilitator, DEOs, principals and stakeholders with quality, monitoring and assessment of schools and ECCD centers	15.000	W/Bank
35		Dissemination of findings and recommendations of assessment conducted on social norms related to gender and child marriage at national level	0.255	UNDP IPPF
36		Interventions to address barriers to women's participation in NBS and decision-making	1.626	UNDP IPPF
37		Review the provisions of the Information Communication and Media Act relating to technology-facilitated GBV offenses	0.595	UNFPA
38		Capacity development of local government officials to enhance their role in preventing GBV	1.275	UNFPA

SI. No.	Agency	Name of Activity	Budget	Funding
39	MoIT	Assessment of existing national district and municipal institutional arrangements mandates, and functions in the context of gender responsive and climate-resilient urban development	4.363	GEF
40		Coordination workshop on gender GRM processes ESIA, and ESMPS	5.628	GEF
41	MoENR	Develop framework and gender sensitive indicators for monitoring and reporting of NDC Priority Adaptation Actions	1.150	GEF
42		Develop indicators for NDC tracking for adaptation and Mitigation incorporating Gender aspects	1.000	GEF
43		Gender Mainstreaming training to BFL Focal Officers in all PA and BCS	1.000	GCF
44		Sensitization and training of local community and women on combating invasive species	0.537	BTFEC
45		Ecotourism products ventures through support to women lead homestays at Buli (Nangkhor Gewog)	0.140	GCF
46		Support to women lead homestay at Merak (one number)	0.070	GCF
47		Formation of women group and mass propagation of Onosma Hookeri DRI Mugtse at Momring Lauri Gewog	0.400	GCF
48	MoENR	Formation of women group for soft broom and cultivation at Agurthang Langchenphu Gewog and Tsholingkhar	0.200	GCF
49		Support to women led homestay at Jangphutshe (one number)	0.070	GCF
50		Support to women led homestay at Sherimuhung (two numbers)	0.140	GCF
51	MoICE	Enhancing Nature Based Solution (NBS) accelerator program targeting community initiatives youth, women and vulnerable population	5.610	GEF
52		Monitoring and evaluation system incorporating gender, youth and vulnerable groups developed and implemented	9.578	GEF

SI. No.	Agency	Name of Activity	Budget	Funding
53	JSWSL	Strengthen access to services for survivors of GBV through the women and girls space	0.340	UNICEF
54		Legal needs assessment and review of child care protection 2011 and DVPA 2023	0.680	UNICEF
55		Study on factors effect and prevention methods of substance abuse amongst children and young people	0.510	UNICEF
56		Advocacy on access to justice for children for remote schools	0.510	UNICEF
57		Child justice summer school	2.700	UNICEF
58	RBP	Construction of women's prison at Chamgang	15.000	GoI PTA
59		Establish one child protection desk	0.500	RGoB
60	Drat-shang Lhents-hog	Strengthening child protection systems in monastic institutions and nunneries: Roll out CP, roll out EISR, review of child online protection, and integrated child-friendly intervention for child monks	4.895	UNICEF
61	OAG	Training on child victim and witnesses	0.860	UNICEF
62	NMS	CME for all the primary health care workers on maternal and child health	1.500	RGoB
63	BNLI	Advocacy on children pretrial access to legal aid toolkits	0.680	UNICEF
64		Child friendly legal aid training to judges	0.850	UNICEF
65	Local Government	Establishment and improvement of ECCD structures/facilities in various schools	74.790	Save The Children
66		Field-based and specialised training to farmers on sustainable and management technology ensuring 60 percent of participants comprise of women (Dagana)	0.209	BTFEC
67		Support the maintenance of the defunct biogas plant to support women in kitchen works (Sarpang)	0.288	IFAD
68		B2B and capacity building of CIT members and Women group (Pema Gatshel)	0.650	HELVE-TAS

SI. No.	Agency	Name of Activity	Budget	Funding
69	Local Government	Support to the Serlam women's group (Pema Gatshel)	0.450	HELVE-TAS
70		Climate resilient coffee farming to empower women under LAP-BED (Kengkhar Gewog, Monggar)	1.500	EU
71		Procure and establish a sunken poly house to improve children nutrition (Thimphu)	0.100	Bhutan Foundation
Total			562.541	

Annexure 7: Shareholding in State Enterprises and Linked Companies

Sl. No	Corporations/Sector	% Share holding	2022		2023		2024	
			No. of Shares	Value (Nu. m)	No. of Shares	Value (Nu. m)	No. of Shares	Value (Nu. m)
I Agriculture								
1	Bhutan Livestock Development Corp. Ltd	100%	4,739,007	473.901	4,739,007	473.901	5,741,807	574.181
2	Farm Machinery Corporation Ltd	100%	904,220	90.422	904,220	90.422	2,247,700	224.770
3	Green Bhutan Corporation Ltd	100%	644,440	64.444	870,320	87.032	870,320	87.032
II Industry								
1	Kuensel Corporation Ltd	51%	2,550,000	25.500	2,550,000	25.500	2,550,000	25.500
III Services								
1	Food Corporation of Bhutan	100%	15,000	15,000	15,000	15,000	15,000	15,000
2	Bhutan Postal Corporation	100%	235,952	23.595	235,952	23.595	235,952	23.595
3	Bhutan Broadcasting Service Limited	100%	1,308,351	130.835	1,308,351	130.835	1,308,351	130.835
4	National Housing Development Corp Ltd	100%	541,309	541.309	541.309	541.000	541.309	541.000
5	Bhutan Development Bank Ltd	97%	60,031,700	600,317	60,031,700	600,317	194,641,473	1,946,415
6	Credit Information Bureau of Bhutan	44%	2,500,000	23,000	2,500,000	23,000	2,500,000	23,000
7	Financial Institution Training Institute Limited	31%	4,000,000	40,000	4,000,000	40,000	4,000,000	40,000
IV Holding Company								
1	Druk Holding & Investments Ltd	100%	491,841,200	49,184.120	497,911,707	49,791.170	642,281,715	64,228.172
	Total				51,212.443	51,841.772	67,859.499	

Annexure 8: Revenue and profitability of State Enterprises and Linked Companies

Nu. in million

Direct Shareholdings	Total Revenue				Total Expenses				Profit Before Tax				CIT		Net Profit	
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022
Corporations/Sector																
Agriculture	472	355	472	595	387	465	-124	-32	7	0	0	3	-123	-32	2	
Bhutan Livestock Development Corp. Ltd	204	150	199	276	179	201	-73	-29	-2	0	0	0	-73	-29	-2	
Farm Machinery Corporation Ltd	243	168	215	283	172	215	-40	-4	0	0	0	0	-43	-4	-1	
Green Bhutan Corporation Ltd	26	37	58	36	36	49	-11	1	9	0	0	3	-8	1	6	
Industry	121	146	130	131	139	136	-10	7	-6	0	2	0	-13	4	-7	
Kuensel Corporation Ltd	121	146	130	131	139	136	-10	7	-6	0	2	0	-13	4	-7	
Services	5,074	5,850	6,549	5,273	5,327	6,033	-360	1,055	166	11	38	86	-288	1,059	80	
Food Corporation of Bhutan	2,228	2,423	2,980	2,298	2,397	2,918	-70	26	62	0	0	0	-70	25	62	
Bhutan Postal Corporation	184	285	220	199	213	204	-15	72	17	0	22	4	-15	50	14	
Bhutan Broadcasting Service Limited	264	304	317	279	303	324	-16	-1	-7	0	0	0	-16	-1	-7	
National Housing Development Corp Ltd	229	241	265	201	127	166	15	613	-125	9	10	17	7	598	-143	
Bhutan Development Bank Ltd	2,130	2,539	2,708	2,262	2,247	2,373	-278	328	207	0	0	62	-192	379	144	

Direct Shareholdings	Total Revenue			Total Expenses			Profit Before Tax			CIT			Net Profit		
Credit Information Bureau of Bhutan	29	43	38	20	23	25	9	20	13	3	6	3	6	14	10
Financial Institution Training Institute Limited	9	15	21	14	19	23	-5	-3	-2	0	0	0	-8	-7	0
Holding Company	10,566	10,551	10,983	207	289	342	10,359	10,262	10,641	3,125	3,243	3,577	7,233	7,019	7,064
DHI	10,566	10,551	10,983	207	289	342	10,359	10,262	10,641	3,125	3,243	3,577	7,233	7,019	7,064
Total	16,233	16,902	18,134	6,206	6,142	6,975	9,865	11,292	10,808	3,137	3,283	3,666	6,810	8,050	7,139
Shareholding through DHI															

Corporations/ Sector	Total Revenue			Total Expenses			Profit Before Tax			CIT			Net Profit			
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	
Agriculture	755	897	817	781	89	134	-25	33	30	0	14	15	-28	19	15	
Natural Resource Development Corporation Limited	755	897	817	781	89	134	-25	33	30	0	14	15	-28	19	15	
Industry	26,832	28,047	38,889	16,904	17,878	23,503	9,928	10,154	15,369	3,302	4,939	6,829	6,674	10,537		
Penden Cement Authority Limited	546	1,651	1,556	770	1,617	1,519	-223	34	37	0	0	0	-228	101	28	
Bhutan Board Products Limited	260	290	273	243	277	269	17	13	3	0	0	0	18	16	5	
Bhutan Ferro Alloys Limited	3,923	3,392	3,154	3,018	3,094	3,030	905	298	124	226	74	31	669	219	91	

Direct Shareholdings	Total Revenue		Total Expenses		Profit Before Tax		CIT		Net Profit	
Dungsam Cement Corporation Limited	3,288	2,902	2,594	3,386	2,969	3,144	-98	-66	-550	0
Dungsam Polymers	191	188	181	178	163	177	13	24	4	0
Druk Green Power Corporation	12,026	11,669	23,390	5,483	4,849	10,908	6,543	6,820	12,482	2,077
Koufuku International Pvt. Ltd	85	101	116	96	97	101	-11	3	15	0
Construction Development Corp. Ltd	1,065	1,227	1,479	1,046	1,205	1,383	19	22	96	0
Menjong Sorig Pharmaceuticals Corporation Ltd.	78	111	115	74	83	97	4	28	18	0
Druk Metallurgy Ltd.	0	0	8	57	386	163	-56	-386	-155	0
Azista bhutan Healthcare Ltd.	5	49	142	40	80	115	-36	-46	10	0
State Mining Corporation Ltd	5,365	6,468	5,882	2,513	3,057	2,596	2,852	3,411	3,285	926
Services	34,094	45,820	54,812	29,319	35,419	43,515	4,815	10,402	11,262	1,768
State Trading Corporation of Bhutan	3,231	3,443	5,693	3,152	3,423	5,675	79	20	18	24
Crawfish Himalayan Limited	0	0	7	0	13	18	0	-13	-11	0
Bhutan Telecom Ltd.	5,886	6,099	6,373	2,563	2,677	3,027	3,323	3,422	3,345	1,054

Direct Shareholdings	Total Revenue			Total Expenses			Profit Before Tax			CIT			Net Profit		
Drukair Corporation Ltd.	2,045	4,829	5,498	3,192	4,537	4,996	-1,146	291	502	0	0	0	-888	-63	178
Bhutan Power Corporation	14,851	20,209	25,099	13,660	18,387	22,103	1,191	1,822	2,995	330	424	965	830	1,146	1,709
Thimphu TechPark Ltd.	158	294	220	155	163	166	3	131	54	0	0	0	3	131	61
Bank of Bhutan Ltd.	1,876	4,022	4,383	894	2,513	2,157	982	1,509	2,227	271	454	681	677	1,002	1,540
Bhutan National Bank Ltd.	2,011	2,777	2,600	712	1,106	1,579	1,299	1,672	1,021	89	468	274	1,210	1,204	747
Royal Insurance Corporation of Bhutan Ltd.	4,035	4,147	4,939	4,991	2,599	3,794	-916	1,549	1,110	0	62	286	-705	1,213	836
Total	61,681	74,764.0	94,517.4	47,004	53,386	67,151	14,717	20,589	26,661	5,062	5,799	8,194	10,294	13,757	17,989

Annexure 9: Summary of Assets, Liabilities and Net-Worth of State Enterprises and Linked Companies

Nu. in million

Direct Shareholdings	Total Assets				Total Liabilities				Net Asset			
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Agriculture	1,038	998	1,087	603	469	355	435	526	526	526	526	727
Bhutan Livestock Development Corp. Ltd	565	532	600	287	283	253	278	249	249	313	313	347
Farm Machinery Corporation Ltd	410	393	412	311	183	98	99	209	209	67	67	67
Green Bhutan Corporation Ltd	63	73	75	5	2	4	59	67	67	157	157	157
Industry	265	306	295	97	135	138	168	171	171	171	171	171
Kuensel Corporation Ltd	265	306	295	97	135	138	168	171	171	157	157	157
Services	36,953	42,382	45,146	31,833	34,861	37,662	5,121	7,521	7,484			
Food Corporation of Bhutan	1,461	1,598	1,777	619	737	860	842	861	861	916	916	916
Bhutan Postal Corporation	531	578	555	297	352	314	233	225	225	241	241	241
Bhutan Broadcasting Service Limited	612	778	726	655	825	767	-43	-47	-47	-41	-41	-41
National Housing Development Corp Ltd	2,934	3,729	4,113	1,066	1,228	1,716	1,868	2,501	2,501	2,397	2,397	2,397
Bhutan Development Bank Ltd	31,214	35,485	37,755	29,181	31,701	33,989	2,033	3,785	3,785	3,766	3,766	3,766
Credit Information Bureau of Bhutan	75	89	97	7	7	6	68	82	82	91	91	91
Financial Institution Training Institute Limited	127	124	124	6	11	11	120	113	113	113	113	113
Total	38,257	43,685	46,527	32,533	35,465	38,155	5,723	8,217.4	8,367.9			
<i>Shareholding through DHI</i>												
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Agriculture	946	1,558	1,932	318	909	1,262	628	649	670			
Natural Resource Development Corp.	946	1,558	1,932	318	909	1,262	628	649	670	670	670	670

Direct Shareholdings	Total Assets				Total Liabilities				Net Asset	
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2024
Industry	77,459	84,429	137,714	22,311	29,872	67,209	55,148	54,558	70,506	
Penden Cement Authority Ltd.	2,039	2,001	2,395	875	747	786	1,163	1,255	1,609	
Bhutan Board Products Ltd.	1,084	1,009	1,271	140	170	216	944	839	1,054	
Bhutan Ferro Alloys Ltd.	2,454	1,905	1,984	421	275	462	2,033	1,630	1,522	
Dungsam Cement Corporation Limited	8,522	8,490	7,885	7,113	7,402	7,103	1,409	1,087	782	
Dungsam Polymers Limited	153	158	165	110	99	104	44	60	62	
Druk Green Power Corporation	56,353	63,460	116,553	10,266	17,243	54,351	46,087	46,217	62,201	
Koufuku International Pvt. Ltd	83	77	76	47	38	26	36	39	51	
Construction Development Corp. Ltd	1,993	2,003	1,765	1,116	1,110	821	877	893	943	
Menjong Sorig Pharmaceuticals Corporation Ltd.	183	212	216	17	31	28	166	180	188	
Druk Metallurgy Ltd.	938	617	470	735	803	811	203	-186	-341	
Azista bhutan Healthcare Ltd.	434	485	557	295	342	394	139	142	163	
State Mining Corporation Ltd	3,223	4,013	4,378	1,176	1,611	2,107	2,048	2,402	2,270	
Services	251,915	266,139	290,434	208,066	219,594	242,588	43,848	46,545	47,846	
State Trading Corporation of Bhutan	1,448	1,472	1,737	800	841	1,106	648	631	631	
Crawfish Himalayan Limited	0	90	296	0	46	243	0	45	54	
Bhutan Telecom Ltd.	7,577	7,351	7,273	1,456	1,363	1,333	6,121	5,988	5,940	
Drukair Corporation Ltd.	9,835	9,380	9,391	8,280	7,861	7,681	1,555	1,520	1,710	
Bhutan Power Corporation	42,118	43,550	46,745	25,996	27,463	30,003	16,121	16,087	16,742	
Thimphu TechPark Ltd.	435	483	510	265	180	168	170	303	341	

Direct Shareholdings	Total Assets			Total Liabilities			Net Asset		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Bank of Bhutan Ltd.	107,603	113,108	122,681	99,029	103,646	112,939	8,574	9,462	9,742
Bhutan National Bank Ltd.	60,000	65,698	74,865	53,069	58,218	67,262	6,931	7,479	7,604
Royal Insurance Corporation of Bhutan Ltd.	22,899	25,007	26,936	19,171	19,976	21,853	3,728	5,031	5,083
Total	330,320	352,126	430,080	230,695	250,375	311,058	99,625	101,751	119,022