



# ENVIRONMENTAL & SOCIAL CONSIDERATION IN BHUTAN'S PUBLIC INFRASTRUCTURE INVESTMENT





## OUTLINE

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1. BHUTAN AT A GLANCE
2. THE FIVE-YEAR PLANS AND ITS OUTLAYS
3. MAJOR INFRASTRUCTURE INVESTMENTS AND ITS IMPLICATIONS
4. LEGAL FRAMEWORK FOR SOCIAL AND ENVIRONMENTAL CONSIDERATIONS
5. INSTITUTIONAL ARRANGEMENTS
6. POLICY ADOPTION AND ROLE OF MINISTRY OF FINANCE
7. CONCLUSION

**Bhutan**



# BHUTAN AT A GLANCE

Population  
735,000  
(2018)



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GDP  
(US\$ 2,351.83 million) -  
2017



GDP Growth  
4.6%  
(2017)



Poverty  
8.2%  
(2018)



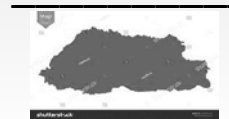
Per capita GDP  
US\$ 3,438.16  
(2017)



Literacy  
71.4%  
(2017)



Area (sq.km)  
38,394



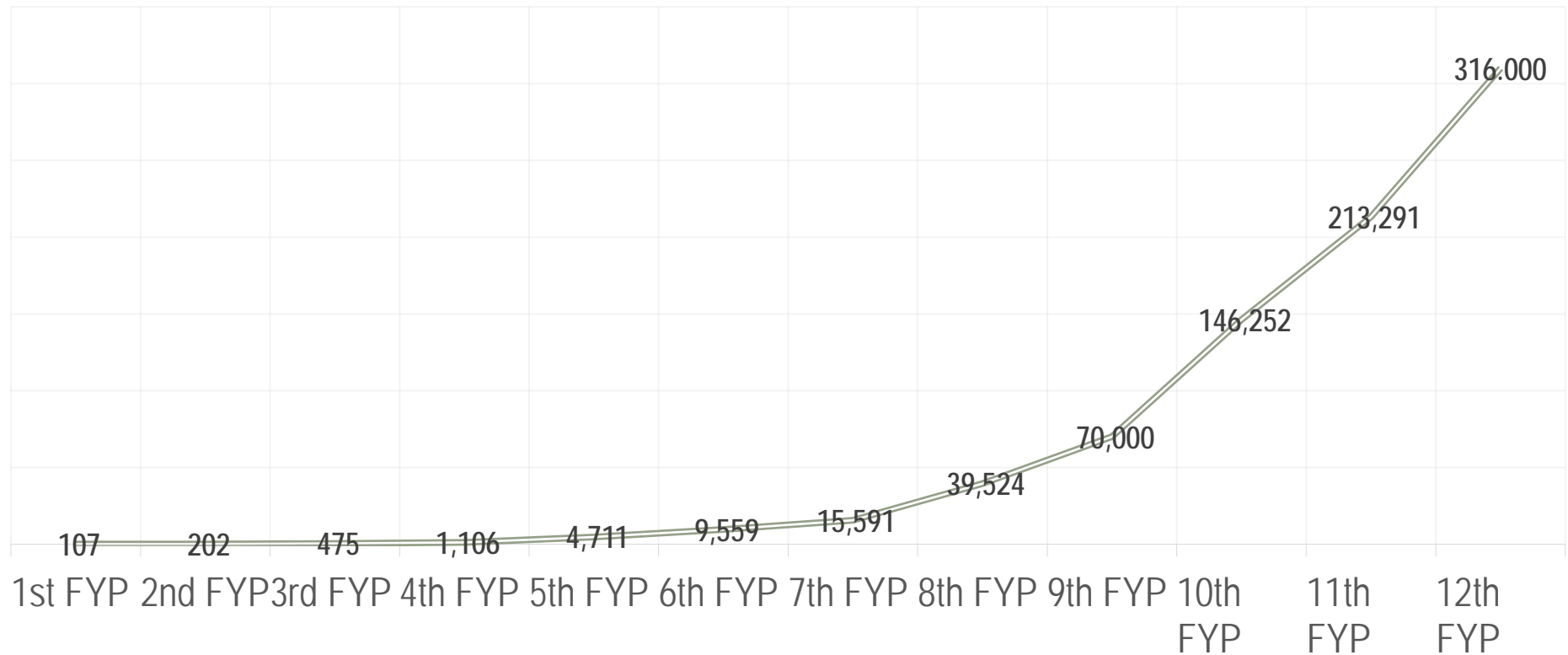
Forest cover  
71%  
(2018)





# FIVE-YEAR PLANS & OUTLAYS

AMOUNT IN MILLION (NU) (1USD=NU.70)





# MAJOR AREAS OF INFRASTRUCTURE INVESTMENTS

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Hydropower plants



Transmission & Tele networks



Surface road networks



Irrigation channels



Bridges



Airports and buildings

# SOCIAL AND ENVIRONMENTAL IMPACTS

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Deforestation



Displacement of people



Disruption of watershed



Loss of animal habitat



# LEGAL FRAMEWORK

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## 1. CONSTITUTION OF THE KINGDOM OF BHUTAN

- calls for an adoption of environment friendly practice and policy.
- mandates the Government maintain a minimum of 60% of Bhutan's total land area under forest cover.
- calls upon the Parliament to enact environmental laws to ensure sustainable use of natural resources.

## 2. ENVIRONMENTAL ASSESSMENT ACT, 2000

- mandates the Government to take into account the environmental concerns when formulating plans and programs.
- necessitates environment clearance as prerequisite to all development consent.

## 3. ENVIRONMENTAL PROTECTION ACT, 2007

- assigns equal priority between economic development and environmental conservation.
- authorizes the establishment of National Environment Commission and empowers it.

## 4. FOREST AND NATURE CONSERVATION ACT OF BHUTAN, 1995

- for sustainable management of Government Reserved Forests, and for regulating the production, protection, transport and trade of timber, other forest produce and wildlife.

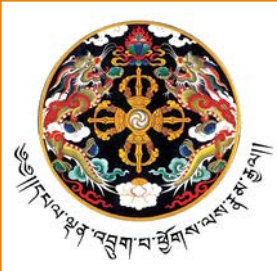


# INSTITUTIONAL FRAMEWORK

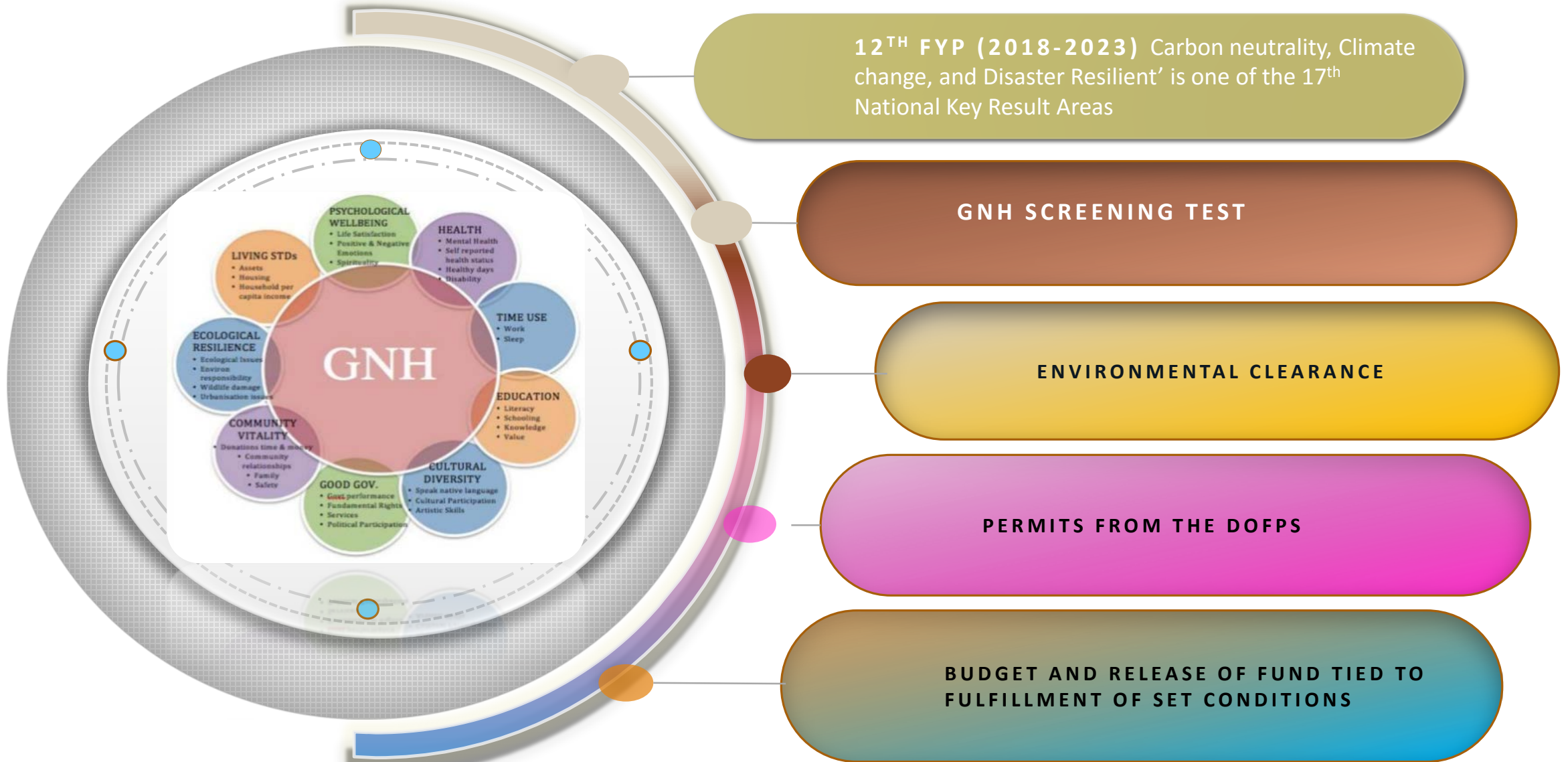
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1. ENVIRONMENT AND CLIMATE CHANGE COMMITTEE (PARLIAMENTARY LEVEL)  
(LEGISLATION RELATING TO ENVIRONMENT, LAND AND URBAN DEVELOPMENT)
2. THE GROSS NATIONAL HAPPINESS COMMISSION  
(PLANNING AND POLICIES)
3. THE NATIONAL ENVIRONMENT COMMISSION  
(POLICY AND REGULATION)
4. THE DEPARTMENT OF FORESTS AND PARK SERVICES  
(POLICY AND REGULATION)
5. THE DEPARTMENT OF NATIONAL BUDGET, MINISTRY OF FINANCE  
(REGULATION)





# POLICY ADOPTION & PROCEDURAL REQUIREMENTS





## ROLE OF MINISTRY OF FINANCE

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- 🔍 MoF plays an important role in furthering the interest of social and environmental considerations in the country's development agenda.
- 🔍 MoF ensures that all investments proposed by the budgetary bodies are in keeping with the national priorities.
- 🔍 MoF ensures that agencies obtain all necessary clearance before implementation of the project.
- 🔍 Established Public Infrastructure Investment Committee (PIIC) to look into prudence and quality aspects of infrastructure investment in Bhutan.
- 🔍 All major investment projects need the approval of PIIC.

## CONCLUSION

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*We make sure that infrastructure investments are well-aligned with environmental and social objectives by following the middle path strategy to development and by placing equal importance to economic development and environmental conservations.*

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THANK YOU

