Switzerland’s programme with Bhutan 2013-2016: Rounding off development cooperation

Introduction

Bhutan is a mountainous kingdom in the Himalayas of the size of Switzerland with a scattered population of 738,300 (2011). Located between two giant neighbors – India and China –, Bhutan strives to shape its own brand of development: the aspiration of self-reliance, democracy and Gross National Happiness (GNH). According to international standards Bhutan has reached the level of a middle-income country.

As recently as in 2008, Bhutan moved from absolute monarchy to a parliamentary democracy. Democratization was championed and administered from the top by the country’s visionary Fourth King rather than by genuine demand of the citizens, who still remain to be fully convinced of this change.

Bilateral relations with Switzerland, which date back to the 1970s, when Bhutan was a largely isolated country, have been strong, friendly and often personal. After decades of support to the development of rural infrastructure, agriculture and forestry, education, health, rural enterprises, environment and culture, Switzerland enjoys a high reputation in Bhutan.

To round off almost four decades of bilateral development cooperation, the Swiss Agency for Development and Cooperation (SDC) accompanies Bhutan in its efforts to sustain democratic reforms and key institutions until the completion of the programme in 2018.

Key Development Challenges

- **Consolidating democracy.** Citizens and core institutions in Bhutan’s young democracy need yet to grow into their new roles until political participation and checks and balances are fully in place. Also, the shift from central administration towards decentralized democratic decision-making needs stronger promotion.

- **Civil society and participation.** Broad-based non-government and community-based organizations (CBO) are few in numbers, often centrally organized and still weak in voicing their aspirations and concerns. Media are well established in urban centers, but are largely lacking in rural areas.

Gender and ethnic equality are yet to be fully addressed. In politics and business leadership, women representation is low. The country’s diversity in languages, cultures and beliefs appears often as an impediment for cohesion and development than a cultural asset.

Strategic Focus of Bilateral Cooperation

The focus of Swiss development cooperation lays on State reforms, local governance and citizen participation, which is a priority in the Swiss Cooperation Bill 2013-2016. This is in line with Bhutan’s Five-year Plan goal to engender a truly representative, responsible and meaningful democracy. As a longstanding and trusted bilateral development partner with specific expertise to offer in this domain, Switzerland had been requested by the Royal Government of Bhutan to support democratic reforms.

In 2013-2016, Swiss cooperation with Bhutan works towards achieving three main outcomes:
Strengthening the core institutions of democracy at central and local levels to ensure checks and balances in the governance system and improved service delivery to citizens. This includes working together with the Judiciary and the Anti Corruption Commission in Bhutan;

Fostering civil society and civic participation for men and women to be able to voice their concerns, participate in public debate, policy formulation and decision making.

Community forest management groups practice inclusive decision-making, offer a platform for better local governance and enhance their livelihoods.

SDC governance projects in Bhutan from 2009-2012 had emphasized the capacity building of public institutions vital for democracy. This will now be complemented with assistance that fosters civil society and media development as well as the strengthening of inclusive CBOs.

Cooperation Management

Swiss development assistance is aligned with Bhutan's national priorities and relies on country systems for implementation. This implies that: i) the SDC support aligns with the 11th Five-year Plan priorities (2013-2018); ii) the focus is on topics with a high chance to be carried on and in future be financed by the partners; and iii) implementation will adhere to the principles of joint design and joint funding.

The financial volume of SDC's programme in Bhutan during this exit phase will amount to a maximum of 3 million Swiss Francs per year and reduce gradually to terminate in 2016. Bhutan is not a SDC priority country in the Message 2013-2016, in conformity to the decision of the Federal Council.

To engage in a direct and close dialogue with the Royal Government of Bhutan and other partners in the country, Switzerland has opened a small Cooperation Programme Office in Thimphu in 2012. This allows engaging with Bhutanese authorities and partners with the required care and intensity to ensure a smooth and sustainable phasing out and to maintain good relations and benefits of a long standing cooperation.

SDC’s presence in the country also facilitates fostering diverse partnerships between Swiss and Bhutanese actors as well as promoting knowledge exchange with regional competence centres in South and East Asia, which could be sustained by the Bhutanese actors later on.

Switzerland will continue the excellent and longstanding relations and friendship with Bhutan beyond development cooperation.