

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Focus and Key Activities

1. The major development partners providing assistance for air transport have been the Government of India for infrastructure improvement and the Government of Sweden for capacity development. The first assistance from the Asian Development Bank (ADB) will start in 2012 with implementation of capacity development technical assistance, targeted to strengthen regulatory and operational performance by improving institutional, legal, and regulatory frameworks, as well as upgrading the technical capacity of the Department of Civil Aviation.¹

2. The Government of India has provided key assistance for the development of Paro International Airport, Bhutan's only operating airport until 2011 and still the only airport providing international access. The Government of Bhutan is planning to request for further support. In 2009, the government started developing three domestic airports in Bumthang, Gelephu, and Yonphula, utilizing its domestic budget, while requesting ADB assistance for further improvements. To avoid overlap and enhance implementation efficiency, the government's strategy is to continue facilitating assistance from the Government of India for developing infrastructure at Paro International Airport. ADB's strategy is to support the government's efforts to establish and improve domestic air transport connectivity, and to provide capacity development and policy support for the Department of Civil Aviation to strengthen regulatory and operational performance.

3. Assistance provided by major development partners is summarized in the table.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Government of Sweden	Civil Aviation Master Plan	2002–2003	0.9
Government of Sweden	Capacity Development Project	2007–2009	1.9
Government of India	Enhancement of Emergency Repair Capability/Expansion of Paro International Airport	2009–2013	4.7
Government of India	Improved Communication/Navigation Aid Technology for Paro International Airport	2009–2013	1.7
Asian Development Bank	Technical Assistance for Strengthening Air Transport Regulatory and Operational Performance	2012–2015	0.3

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

4. Given the relatively low volume of assistance provided by only a few development partners, the government has not instituted a formalized arrangement for coordination in the air transport subsector. However, the government's Gross National Happiness Commission

¹ ADB. 2011. *Technical Assistance to the Kingdom of Bhutan for Strengthening Air Transport Regulatory and Operational Performance*. Manila (TA 7945-BHU, \$300,000, approved on 5 December).

oversees assistance provided by major development partners in the country, and coordinates with respective ministries to ensure implementation efficiency and avoid overlaps. For the project, consultation was closely conducted with the Ministry of Finance and the Ministry of Information and Communications regarding their expectation of potential pipeline assistance from other development partners to avoid overlap.

C. Achievements and Issues

5. The government has initiated efforts to facilitate effective development coordination through roundtable discussions to improve development partner coordination.²

D. Summary and Recommendations

6. In addition to continuing coordination through the Gross National Happiness Commission as well as the Ministry of Finance, closer regular coordination is necessary to ensure a constructive and consistent approach by major development partners regarding type of assistance, coverage area, and implementation arrangements. Roundtable discussions with development partners working in the air transport subsector need to be held periodically, led by the Ministry of Information and Communications. This could enable future development assistance projects to proactively address gaps and/or complement the activities of ongoing projects.

² During the roundtable meeting held on 1–2 September 2011, the government conducted extensive consultations with the donor community including the Asian Development Bank.