

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Focus and Key Activities

1. Development partners have played an important role in financing and developing the health sector in Bhutan. The major development partners are the Government of India; Danida; the Asian Development Bank (ADB); the World Bank; The Global Fund to Fight AIDS, Tuberculosis and Malaria (The Global Fund); and the Japan International Cooperation Agency (JICA). These development partners have provided targeted, sector-wide support to cover specific subsectors and disease programs, infrastructure, or procurement. Additionally, United Nations (UN) agencies—e.g., World Health Organization (WHO), United Nations Children’s Fund (UNICEF), and United Nations Population Fund (UNFPA)—provide technical assistance (TA) and advisory support to the Ministry of Health (MOH). The full list of development partners and a summary of the key partners’ activities is in the table below.

2. In 2000, ADB supported Bhutan with a policy loan of \$10 million equivalent under the Bhutan Health Care Reform Program.¹ Among other activities, the reform program established the Bhutan Health Trust Fund (BHTF) as an alternative source of health financing for the government’s vaccination and essential drugs program. It also strengthened the health management information system, created the Policy and Planning Division in the MOH, and reviewed human resources to strengthen health sector management. Subsequently, in 2013, ADB provided \$0.23 million in TA to establish a delivery platform for e-health in Bhutan.²

3. Other development partners such as the Government of India, Danida, and JICA have largely focused on infrastructure development, supply chain strengthening, and capacity development, in alignment with the government’s 5-year plans. With financial support from the Government of India, Bhutan built two referral hospitals, Jigme Dorji Wangchuck National Referral Hospital and Mongar Regional Referral Hospital. The Government of India also supported the MOH’s vector-borne disease control program (focused on malaria) through a fund worth \$0.6 million. Danida’s support to the health sector extended across four 5-year periods, from 1991 to 2013. The first three 5-year grants of \$47.29 million equivalent specifically focused on health infrastructure, human resource development, planning and management, and specific disease programs, and supported the establishment of the Health Promotion Division at the MOH. JICA has supported the health sector since 2000, mainly through procuring high-end equipment for referral hospitals and building the capacity and skills of health staff for proper use and maintenance of the equipment.

4. UNICEF and the UNFPA continually focused on capacity development, health promotion and advocacy, and knowledge management in their areas of comparative advantage.³ The WHO has 2-year plans with key focus areas determined in consultation with the MOH. For 2018–2019, the focus is on communicable diseases, noncommunicable diseases, health system strengthening, and improvement of preparedness, surveillance, and response. The UN Development Assistance Framework through the Bhutan One Program (2014–2018) coordinates the UN agencies’ support to the health sector.

¹ ADB. 2000. *Bhutan Health Care Reform Program*. Manila.

² ADB 2013. *Technical Assistance for Piloting the Design of an e-Services Delivery Platform in Health Services*. Manila.

³ The current support from UNICEF to MOH covers the Reproductive Health Program; Vaccine Preventable Disease Program; Integrated Management of Neonatal and Childhood Illness; Nutrition Program; HIV/AIDS; Health Promotion Division; Village Health Workers Program; Adolescent Health Program; and Public Health Engineering Division.

5. Other development partners to the health sector include the South Asian Association for Regional Cooperation (SAARC) Development Fund, Japan Global Alliance for Vaccines and Immunization, and the Swiss Red Cross. Details of their support are given below.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Government of India	Construction of Health Infrastructure in Eleventh Five-Year Plan	2013–2018	29.19
	Support to the Vector-Borne Disease Control Program for Malaria	2013–2018	0.60
Danida	Health Sector Support Program Phase 1	1991–1997	12.24
	Health Sector Program Support Phase 2	1997–2002	19.68
	Health Sector Program Support Phase 3	2003–2008	15.37
	Social Sector Programme Support	2009–2013	22.97
ADB	Health Care Reform Program	2001–2005	10.0
	Piloting the Design of an e-Services Delivery Platform in Health Services	2013–2014	0.23
World Bank	Bhutan - HIV/AIDS and STI Prevention and Control Project	2004–2011	5.79
UNICEF	Bhutan One Program	2018–2019	1.31
UNFPA			0.22
WHO			3.06
GFATM	Multi-Country South Asia Global Fund HIV Program	2017–2018	0.18
	Acceleration towards achieving zero Indigenous Malaria in Bhutan	2015–2018	1.94
	Strengthening Malaria Prevention and Control in Bhutan	2008–2015	3.51
	Preventing HIV/AIDS and Strengthening treatment of PLHIV	2015–2018	1.99
	To reduce TB and MDR-TB burden in Bhutan	2015–2018	2.08
	Strengthening Quality TB Control in Bhutan	2007–2015	1.87
	Scaling up HIV prevention services among youth and other vulnerable population groups through multi sectoral approach	2008–2015	3.18
	A Renewed Strategy to Reduce Tuberculosis Burden in Bhutan	2005–2015	0.91
GAVI	Enhanced Malaria Control Project	2005–2009	1.34
	Vaccine support	2002–2013	1.21
Swiss Red Cross	Non-vaccine support	2002–2013	0.75
	Community Health Pilot Project	2016–2018	0.35
JICA	Procurement of specialized medical equipment for National and Regional hospitals	2017–2022	5.00
SAARC Development Fund	SAARC Maternal and Child Health Project	2009–2013	1.17

ADB = Asian Development Bank; GAVI = Global Alliance for Vaccines and Immunization; GFATM = The Global Fund to Fight AIDS, Tuberculosis and Malaria; JICA = Japan International Cooperation Agency; PLHIV = people living with HIV; UNICEF = United Nations Children's Fund; UNFPA = United Nations Population Fund; SAARC = South Asian Association for Regional Cooperation; WHO = World Health Organization.

Sources: Government of Bhutan, Ministry of Health; GFATM; WHO.

B. Institutional Arrangements and Processes for Development Coordination

6. A joint technical group to manage sector-wide coordination comprising key development partners and the MOH was active until 2010. However, donors have gradually phased out of Bhutan in view of its high economic growth and good progress in health indicators. At present, no formal mechanism for sector-specific development partner coordination exists, and donor agencies still active in Bhutan coordinate with the MOH through bilateral platforms.

7. Nationally, the responsibility for development coordination is with the Gross National Happiness Commission. Bhutan has a development partners' group (DPG), headed by the UN Resident Coordinator for the country. It comprises all the development partners that are supporting various development sectors in Bhutan and provides a platform for sharing

information, which helps avoid duplication of support. However, the government does not participate in the DPG, and these meetings do not have a specific focus on health. The Global Fund also has a Country Coordination Mechanism, with members from the government (Gross National Happiness Commission; and the ministries of health, education, and finance), development partners (JICA, UNFPA, WHO,) nongovernment organizations, faith-based organizations, academia, private sector, and people living with HIV groups. The Country Coordination Mechanism is responsible for submitting proposals to The Global Fund for financing, nominating the principal recipients of the grants, and overseeing grant implementation. UN agencies such as UNICEF and UNFPA undertake joint planning with the MOH at the beginning of each year, which is reflected in the One Bhutan Plan. A midyear review of progress is led by the MOH. The WHO's planning and review is done separately from the other UN agencies.

C. Achievements and Issues

8. While external aid played an important role in financing and developing the health sector, the number of development partners and the overall external assistance have declined drastically in view of Bhutan's progress in health indicators and strong economic growth. As a consequence, government-led donor coordination for the health sector has weakened, and the MOH does not currently have an institutional mechanism for coordinating efforts of new and existing development partners in the sector.

D. Summary and Recommendations

9. Since the mid-1980s, Bhutan has made significant progress in achieving health indicators and economic development. Economic achievements have led to reductions in donor support, although the country remains economically vulnerable with high public-debt levels in the macroeconomic context. At the same time, its health sector faces new and persistent challenges such as the increasing cost of health care from the chronic disease burden and regional health disparities. The sector thus needs to evolve and structurally reorient itself to become more relevant, efficient, sustainable, and self-reliant and meet the challenges of today and the future. As Bhutan tackles its health care issues, it will need to harness more external resources and expertise to make the necessary adjustments. In this context, government-led donor coordination platforms and technical and knowledge-sharing forums should be strengthened to align the efforts from a strategy and complementarity aspect.