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**ROYAL GOVERNMENT OF BHUTAN**  
**PHUENTSHOLING THROMDE**



**ANNUAL REPORT 2020-2021**

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## FOREWARD

In compliance with the Local Government Act 2009, Phuentsholing Thromde has come up with an annual report for the financial year 2020-2021, which encapsulates challenges that the business faced, its successes and insight into the growth of the agency. This report shall also take readers through major developmental activities executed by Thromde with the financial support from different funding agencies.

Had it not been covid-19 which marked the history of unprecedented diminution in terms of growth and development, Phuentsholing being the largest commercial hub of Bhutan is the domicile for many regional offices and home to people from diverse backgrounds. It is an abode where entrepreneurs and business individuals thrive since businesses are advantaged by the location being in close proximity to the international border. Large populations can also be attributed to the availability of modern amenities, which all facilitate individuals for smooth functioning of their businesses.

Covid 19 has put Phuentsholing into lockdown three times and instigated serious issues in developmental activities including labour shortage, lack of expertise and shortage of construction materials. The first ever lockdown was imposed from 11<sup>th</sup> August to 8<sup>th</sup> September 2020 while the second lockdown started on 23rd Dec 2020 coming to an end only on 16<sup>th</sup> January 2021. Phuentsholing had to undergo one more total lockdown in FY 2020-2021 from 16th April 2020 till 27<sup>th</sup> June 2020. In the FY 2020-2021, our office had to assign our staff the covid 19 management duties over their professional task thereby accrediting further delay in the planned activities. Thromde made every effort to localize the skilled labour but there were a number of reasons whereby thromde couldn't succeed. Labourers lacked the required skills to take up the projects and even if there were some, because of mandatory quarantine, they did not show the interest.

Covid 19 has left mean footprint to our effort in shaping Phuentsholing thromde yet Instant Management Team (IMT) in collaboration with Southern Covid 19 Task Force (SC19TF) are rigorously working to bring covid 19 to end and we are positive that we see our economy better in coming financial years with more economic resilience plans in place.

Tashi Delek

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## Introduction

Phuentsholing Thromde is the second largest town in Bhutan located in the southern foothills along the embankment of Amochhu Omchu and Barsachu River. It shares the Bhutan-Indian border separating the two countries and acts as the main gateway to Bhutan. Due to its strategic location, huge trading transactions and business activities take place in Phuentsholing making it the country's biggest commercial hub.

In accordance with the Local Government Act of Bhutan 2009, Phuentsholing became one of Bhutan's four class-A Thromdes; an extension of Local Government bodies. Simultaneously, Phuentsholing Thromde elected its first-ever Mayor (Thrompon) in 2011. It has six constituencies (Demkhongs), each represented by an elected people's representative called *Thuemi*. The limited Thromde area of 15.6 sq km houses a projected population of more than 30,000 including the floating population as of 2015. However, the statistics are not definite for now since Phuentsholing population has been decreasing due to COVID-19 situation.

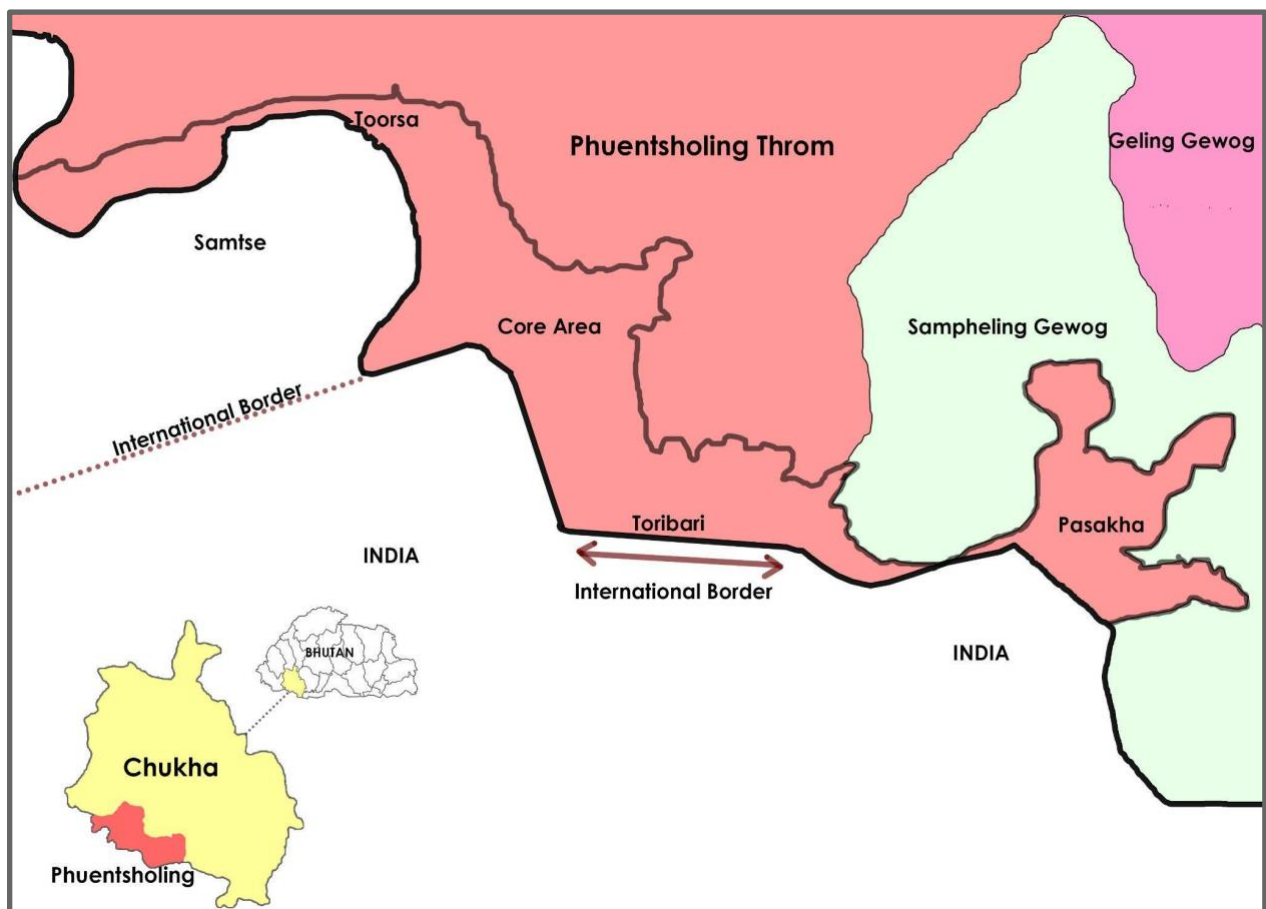


Figure 1.0: Thromde Map

This annual report chews over two main broad categories, major events and achievements; and the annual capital state of Phuentsholing. Further, readers shall be taken through issues and challenges faced by the Phuentsholing Thromde amid covid 19 in achieving the set target during FY 2020-2021.

## Vision & Mission

### Vision:

Phuentsholing Thromde, a responsive city offering its residents a clean and liveable environment with comprehensive quality services that nurture rich traditional and cultural values and enhance a vibrant commercial atmosphere.

### Mission:

To be a vibrant Local Government by ensuring the provision of municipal services and socio economic infrastructures and facilities to make Phuentsholing Thromde an ideal place to live.

## Thromde at a Glance



Figure 2.0: Thromde at a glance

## Key Achievements and Events 2020-2021

### 1. Urban Road Development Work

Thromde has been working on development of urban roads to cater better accessibility to the increasing population. For more parking spaces and alternative routes to ease the issue of traffic congestion, new urban roads were constructed. Thromde recorded a subsequent increase in the number of vehicles, especially private vehicles; a growth of 31218 vehicles from 24578 in 2013 (RSTA). This has led to increased wear and tear of the existing urban road networks. Therefore, to restore the damaged stretches, Thromde has incurred expenses to carry out major maintenance to existing roads.

Infrastructure division constructed 6km of urban roads in the financial year 2020-2021. In the new category, formation cutting and construction of new road networks along with blacktopping are included. Construction of permanent structure work, formation cutting and blacktopping at Gurung Dangra, which is 1.7km is the longest stretch of road executed by the Thromde in the FY 2020-2021. Landfill at Perkazhing is now connected with a 0.8km road. Other road networks constructed were 1.5km formation cutting at Toorsa, 1km formation cutting and blacktopping of roads at Malbase and formation cutting at Pekarshing, which is 1km long.

Thromde also has undertaken maintenance of urban roads, which all include construction of permanent structures, road widening and blacktopping works. The urban roads which were improved include the road at upper kabraytar, medical supply division area and maintenance at Lower kabreytar. Besides, permanent works and blacktopping of roads were also carried out at Allay, which was funded by the Small Development Project.

Further to improve road accessibility in the core town and the extended town area, 2km urban roads were resurfaced.



*Figure 3.1: Construction of permanent work and blacktopping of road at Allay*



*Figure 3.2: Laying of GSB at Gurungdara*



*Figure 3.3: Formation cutting at Malbase*



*Figure 3.4: Formation cutting and RRM at Toorsa*



*Figure 3.5: Laying of GSB at upper Kabreytar*



*Figure 3.6: Formation cutting and RRM at Toorsa*

*Figure 3.7: Laying of GSB at upper Kabreytar*

## 2. Water Distribution Network Construction Work

In line with the 12th FYP to achieve access to 24x7 safe drinking water in every household and commercial entity, about 3.5 km of raw water line was constructed from Rinchenling to Pemaling to distribute water in the Pemaling housing colony. The augmentation of water supply at Kabreytar was also completed and the main water supply lines at Dhamdara and Amochu were extended for better water services. The activities were initiated to ensure access to reliable water for drinking, washing, cooking and to improve sanitation facilities in the Thromde area.



*Figure 4.1: Construction of raw water line from Rinchenling to Pemaling*

### 3. Sewer Network Construction Work

To improve and keep the sewer network functional, 0.84 km of sewer line was constructed and extended. Sewer lines were extended in the RIGSS area and Shedra area while realignment was made from the Integrated Vegetable Market (IVM) to the Sewer Treatment Plant (STP). Extension of the sewer line near Crocodile Zoo was also completed in the financial year 2020-2021.



*Figure 5.1: Realignment of sewer line from IVM to STP*

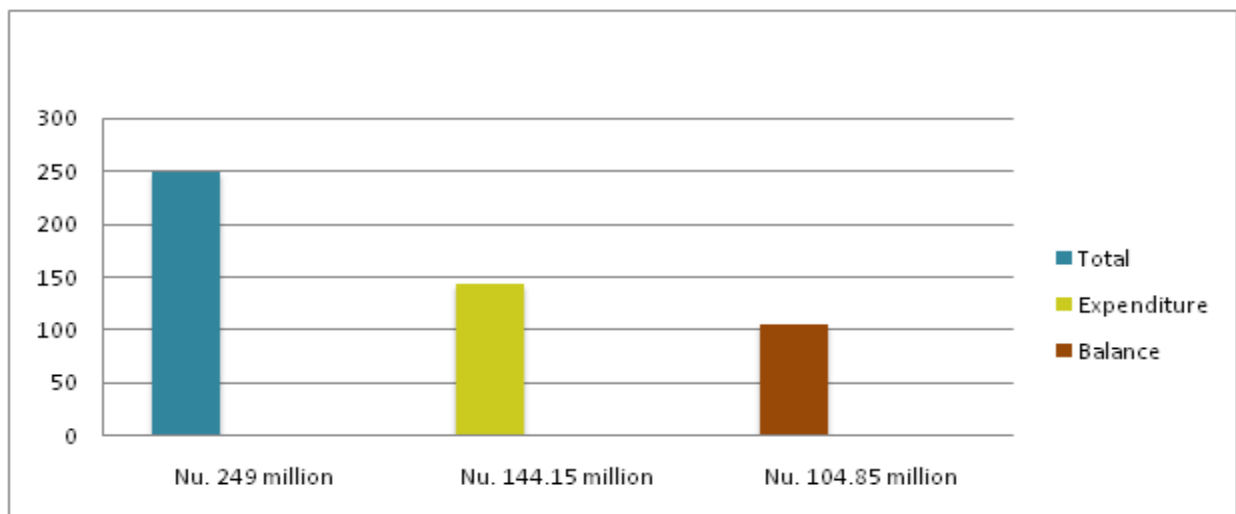


*Figure 5.2. Extension of sewer lines at RIGSS area and Shedra area*

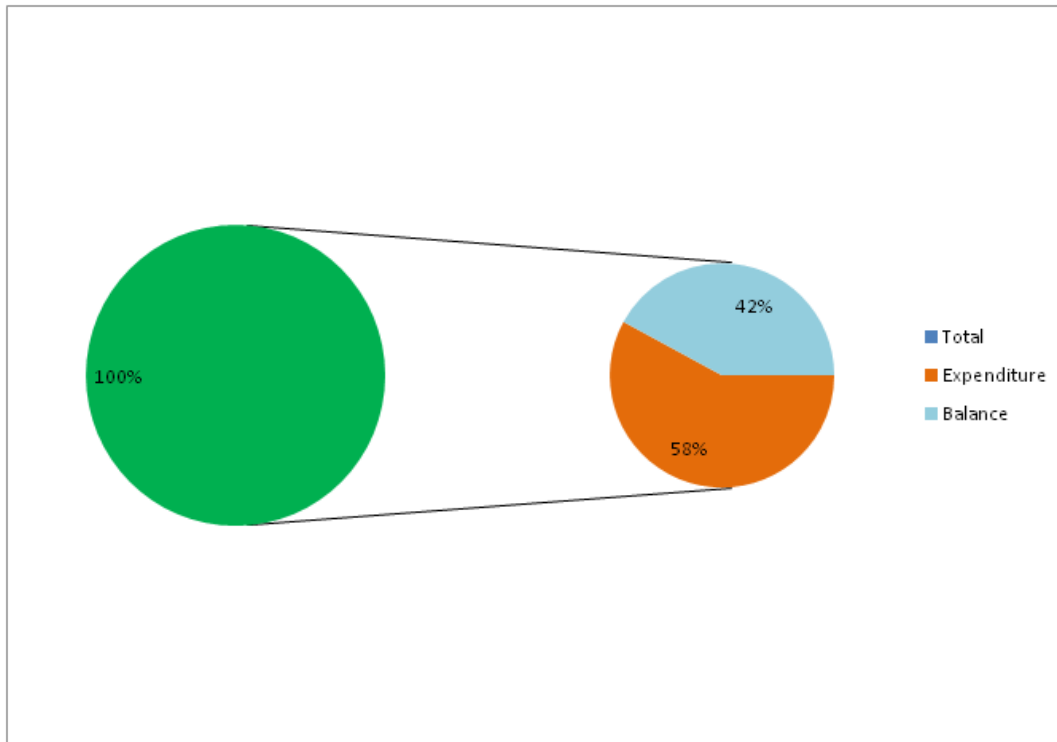
#### 4. Functional Safety and Security Facilities

For the safety and security of the public, 10 new CCTV in the core town area were installed. Further, 35 numbers of streetlights at lower Kabraytar, upper Kabraytar and Tin-kilo were installed. Street lights were installed to prevent property defacement robberies, burglaries, property damage and other crimes that often happen in the dark. It was also aimed at reducing risks and avoiding criminal activity. Primarily, additional street lights have enhanced visibility of equipment and darkened common areas.

#### Financial state of Phuentsholing Thromde



*Figure.6.1: Capital Grant Account Statement as of July 2021*



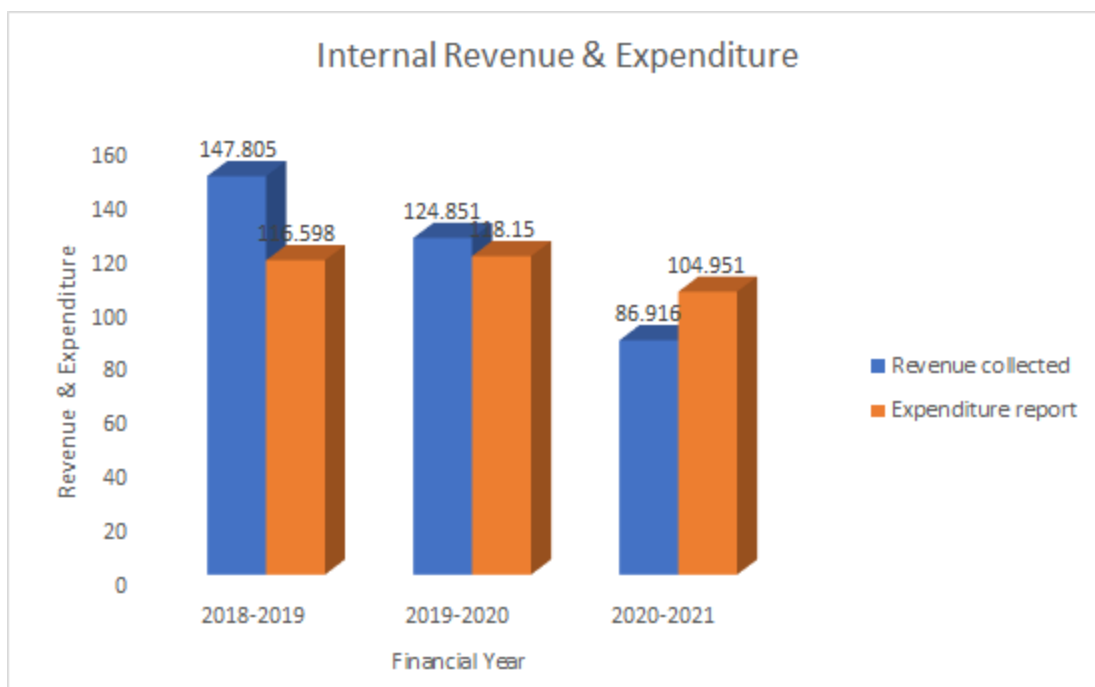
*Figure 6.2: Annual expenditure and balance in terms of percentage*

Figure 1.2 and 1.3 show the summary of the annual capital state of Phuentsholing Thromde during the FY 2020-2021. The total grant received was Nu. 249 million. Out of which the expenditure incurred was only Nu. 144.15 million. This indicates that the financial progress is only 58 percent.

#### Revenue state of Phuentsholing 2018-2021

Revenue	Financial Year		
	2018-2019	2019-2020	2020-2021
Revenue collected (in million)	147.805	124.851	86.916
Expenditure report (in million)	116.598	118.15	104.951

*Table No. 1: Revenue and expenditure from 2018-2019 till 2020-2021*



*Figure No. 6.3: Revenue and expenditure*

The revenue in the FY 2020-2021 is only Nu. 86.916 million while the expenditure is Nu. 104.951 million. Expenditure exceeds revenue by Nu. 18.035 million as depicted in table No. 1 and figure No. 5.3. Currently, Thromde is running in deficit and has been managing from the savings from previous financial years. Considerable drop in revenue can be attributed to decrease in the revenue sources. Due to continuous lockdown following covid19, MLCP had to be closed. Moreover, the maximum revenue source, which is from parking fee collection, dropped significantly.

## Issues, Challenges and Lessons

Covid 19 did not spare thromde in impacting the developmental activities. Thromde had to face a chain of challenges that had put construction works at halt.

### **Shortage of Labour**

Local workers did not show interest to work in Phuentsholing due to frequent movement restrictions. It is mandatory for all individuals moving out of Phuentsholing to stay in quarantine, which they didn't like since they had to undergo it after completing the work. Further, continuous lockdown since mid-April 2021 has restricted the construction activities and this compelled existing labours to leave the site, contributing to the labour shortage.

The work progress was also affected due to restriction in the movement of laborers from one zone to another. The location of residence and work site were in different zones. For instance, three JCB operators were residing at Ramitay, which falls in zone 2 while their work site was at Kidu house, zone 1.

### **Shortage of Expatriates**

For some activities, there was no dearth of construction materials but foreign workers started to leave the country and this made the work put to a halt. Contractors had to immediately stop the work due to non-availability of expatriates.

### **Shortage of Construction materials**

Since covid 19 has affected globally, international borders got sealed. The consignments got cancelled and the contractors couldn't import the raw materials and other construction materials. Contractors were left with only locally available materials, which made the construction work stop.

Diverse issues amid covid 19 have culminated in the delay in the completion of capital activities, primarily, the construction works. Thromde explored every measure to address the issue but due to prolonged lockdown, its initiatives proved less effective. Thromde has explored the availability of skilled labour to address the labour shortage. Similarly, to tackle the shortage of raw materials and to expedite the work, Thromde opted for available prefabricated and precast concrete materials.

## Conclusion

Phuentsholing Thromde, which is the country's largest commercial hub, was home to more than 30,000 people including the floating population. However, ever since covid 19 made its way into Bhutan, and with the longest lockdown in Bhutan, the population has been decreasing since many are leaving for other places in search of better facilities and services.

A number of challenges were faced by the Thromde ranging from shortage of labour to shortage of construction materials. Many workers left the site as they could not earn their living. For Phuentsholing, the primary objective, since early 2020 was to prevent transmission of COVID-19 virus to the other parts of the country and in doing so, many planned activities were severely affected. Contractors struggled to meet the deadlines while officials were equally agonized for they were required to shoulder additional responsibilities in managing the spread of COVID -19 virus and new variants. Many ad hoc activities had to be carried out in containing the viruses such as construction of flu clinics, desuup shelter, labour shelter, transshipment facilities for smooth trading, construction of watch towers and POEs at the border area to monitor illegal entry and exit of foreigners.

Despite painstaking attention to capital activities, prolonged lockdown due to increasing numbers of positive cases in the community didn't allow Thromde to execute the work and complete the activities as desired. That is why many activities are put into "closed work" to be completed in FY 2021-2022. However, we are closely working with SC19TF and IMT in battling the pandemic and towards bringing back the life of Phuentsholing Thromde.

"If we- the King, government, and people, working together like members of one family we can emerge unscathed from any adversity that we may encounter. That our people from all backgrounds are ready to make personal sacrifices, despite facing difficulties themselves, shows that they place the interest of the nation above all else. I will forever appreciate the unwavering support of our people during this ordeal." His Majesty the King

With the blessing from His Majesty the King, we will strive together and we will get through together for a better tomorrow, *together we can!*

*Thank You*