

**Strengthening Local Economies: *Local Area Potential-Based Economic Development (LAPBED) Governance Initiatives Supported and Implemented through Area-Based Programs***



**Objectives:**

- Promote local economic development by leveraging locally available resources.
- Strengthen decentralization by advancing community-led initiatives.

**Key Deliverables:**

The first round of stakeholder and community consultations, along with field verification of the selected project sites, has been completed in collaboration with the Non-Key Expert (NKE) under the EU Technical Assistance for LGDG and the Department of Local Governance and Disaster Management (DLGDM). In addition, the comprehensive guidebook for project implementation has been finalized.



Consultation of the LAPBED proposals

### **Background:**

As part of strengthening the decentralization process and good local governance in line with the socio-economic development focus of the 13<sup>th</sup> FYP, the Department is pursuing the concept of Local Area Potential-Based Economic Development (LAPBED) Governance with the EU support. This concept has already been incorporated into policy and practice for decades; however, it has not received adequate attention due to a lack of a holistic development plan and coordinated cooperation and collaboration among stakeholders at various levels, especially those at the central level.

In the last few years, this Department has developed the concept and implemented five pilot projects, which have started generating incomes for the local community groups today, thanks to the support from central agencies and LGs. Encouraged by the success of the pilot projects, the Department invited and selected 13 new project proposals from various Dzongkhags and completed preliminary field consultations. The proposals broadly cover four areas: community-based tourism (CBT), agro-based business, and bamboo-based arts and crafts.

### **Summary:**

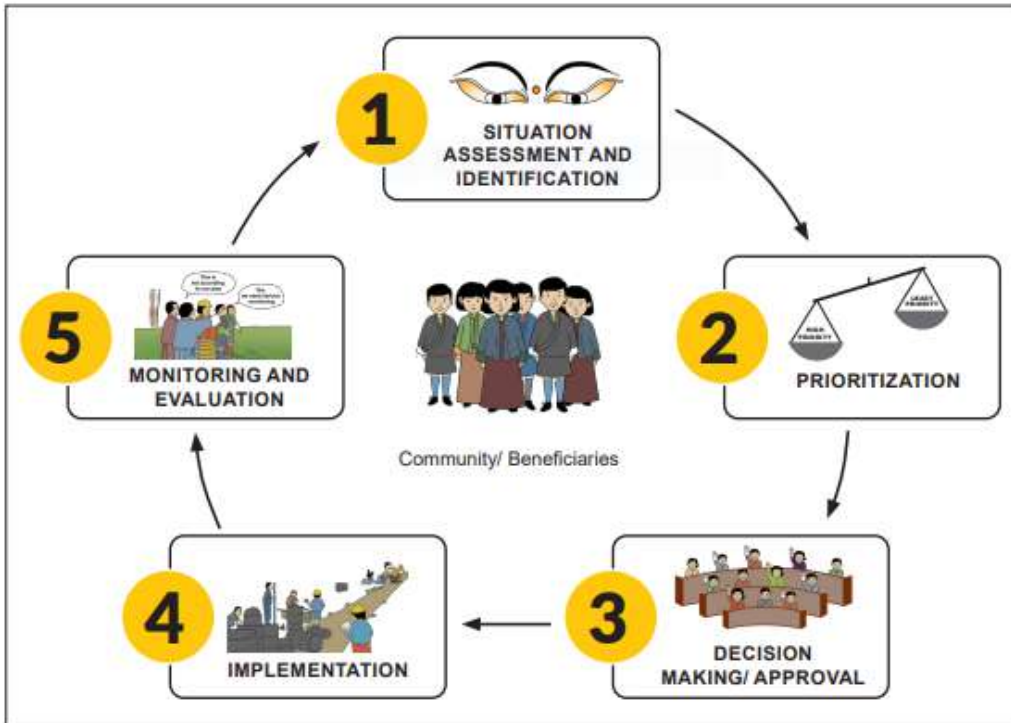
The consultation with implementing partners was coordinated and conducted by the Department of Local Governance and Decentralized Management (DLGDM) in collaboration with the Technical Assistance (TA) team, including the Non-Key Experts (NKEs). The primary objective of the TA mission was to support the Department, LAPBED project proponents—including Dzongkhags, Gewogs, and community groups—and relevant stakeholders by providing orientation on the LAPBED approach. The mission facilitated a joint review of project proposals through the LAPBED lens, conducted asset and stakeholder mapping, and discussed the governance framework for implementation at each site. This process enabled the TA team and stakeholders to gain a comprehensive understanding of the proposals, evaluate the feasibility of proposed locations, and offer strategic recommendations. The consultations served as a foundation for collaboratively refining project concepts and developing detailed implementation blueprints.

**Orienting Local leaders, local administration staff, community members, and stakeholders on the LAPBED approach:**

During the stakeholder and community consultation meeting, the NKEs presented an overview of the LAPBED model. The objective was to familiarize Gewog and Dzongkhag officials, sector representatives, the DLGDM project focal point, and implementing partners with the LAPBED approach, its tools, and processes, and to demonstrate how these elements can be effectively applied at the designated LAPBED sites. The presentation included a detailed explanation of the local government planning cycle, illustrating its alignment with the broader national planning framework. Particular emphasis was placed on strengthening Step 1 of the cycle—Situation Assessment and Identification—as a critical entry point. It was noted that existing gaps at this stage hinder effective planning and implementation at the local level. The LAPBED model was positioned as a strategic intervention to address these gaps and enhance the overall quality and effectiveness of local government planning processes.

Figure 1.1: Local Government Planning Cycle in Bhutan





(Source: Local Development Planning Manual, 2021)

A comparative table (Figure 1.2) was presented to illustrate the key differences between the conventional approach and the LAPBED approach. Key concepts discussed included the emphasis on potential-based services, which aim to leverage local strengths to their fullest. The discussion also highlighted the importance of creating opportunities and fostering community ownership, emphasizing the need to empower local people to take responsibility and leadership in project implementation. Experiences shared from other project sites reinforced the practical value of these principles and underscored the need for a co-design methodology, where community members are actively involved in both the planning and implementation stages. Further discussions focused on the essential role of facilitation and the importance of creating an enabling environment to support inclusive and effective planning. The significance of storytelling as a powerful tool for communication and community engagement was also emphasized. An illustrative example highlighted the value of community participation, the integration of local knowledge, and structured dialogues that lead to practical, actionable outcomes. These insights were deemed critical for informing future planning processes and ensuring the effective application of the LAPBED model across diverse local contexts.

Figure 1.2: Comparative Table between Present Approach Vs. LAPBED Model

<b>Present Approach – Social Service Model</b>	<b>Way forward -LAPBED</b>
Focus on Needs	Focus on Potential
Respond to Problem	Builds from Opportunities
Programs/Projects/Activates are the Answer	People are the Answer
Activity centric	People Centric
Government as Providers and Citizen as Receiver “Kidu Culture”	Co-Design/Collaborative Approach
Executive/Administration Led Sectoral (silo) approach	Co-Creation and Community-Led Collaborative approach (Community and government)
Implementation by the Administration	Facilitation by the Administration
Reports	Storytelling

(Source: Draft Guidelines and Handout for the LAPBED Planning and Assessment Joint Visit to Khotokha, prepared by NKEs).

The Appreciative Inquiry Model was presented, outlining four key elements: realizing potential, establishing a clear vision, defining the path forward, and ensuring sustainability. It also emphasized the importance of determining actionable next steps following these foundational stages. These elements provide a strategic framework to guide the community toward achieving long-term, meaningful outcomes. A presentation on asset mapping was also delivered, in preparation for the community-level exercise scheduled for the following day.

Three critical steps in the asset mapping process were highlighted:

- I. Identifying available assets and potential within the community
- II. Facilitating linkages and creating platforms that promote collaboration and engagement
- III. Building networks to strengthen the community’s collective capacity.

This approach is grounded in a strengths-based perspective, focusing on existing resources and opportunities. The active roles of the Gewog (block), Drungkhag (sub-district), and Dzongkhag (district) administrations were noted as vital in identifying and mobilizing local resources. Central to the success of this process is community participation, based on the understanding that challenges often originate within the community and are best addressed by those who are directly affected and most familiar with the local context.

### **Joint Review of the Proposal:**

The NKEs presented their observations and findings from the desk review of the proposal submitted by DLGDM, highlighting its key objectives: promoting sustainable tourism,

enhancing community engagement, empowering youth and women, supporting local economic development, and scaling up community-based tourism products and services.



Public consultation and joint review of the proposal

### **Conduct Asset Mapping, Stakeholder Mapping, and Governance Framework:**

The asset mapping exercise provided valuable insights into the community's strengths and opportunities, including individual skills, local groups and networks, government agencies, development partners, and various economic, social, cultural, and environmental assets. The roles of potential investors—both individuals and companies, as well as tour operators, guides, and local entrepreneurs were explored, with an emphasis on creating a platform for them to contribute based on their comparative advantages. The discussion also emphasized the importance of engaging non-tourism stakeholders, particularly those involved in agriculture and livestock. A notable proposal included the development of locally sourced, eco-friendly “Tshog” packages made from agricultural and livestock products, which could be marketed to visitors. The availability of a skilled workforce—such as carpenters and masons—ready to support construction and technical work was also highlighted. Furthermore, several influential individuals, private tour operators, local businesses, and community members expressed interest in supporting the community-based tourism (CBT) initiative in the area.



Individual	Local Groups	Org
1) Gorkhey & Nishay 2) CEP Coordinators (Pamkang) 3) Pangman (Carpenter) 4) Mani Ray (Carpenter & Kani) 5) Bolema Kancha Rai 6) Poreang Naka Chang 7) Chenchu 8) Tchung Naka (TO) 9) Boring Dangi (TO) 10) Thung Wanchel (Chang) 11) Pancha Wanchel (Chang) 12) Apo Chenchu (Nagbasa) 13) Need for laundry bag	1) CEP Groups (4) - Youth 2) OYE 3) Winku Vegetal Group 4) Community Forest 5) RUG / WUA 6) MPU - Namny Gann Tibangdel Nethan 7) Modern Guest Home 8) Furen Shop 1) Rongke Neng 2) Dong Phom Neng 3) Thapam Neng 4) Satchee Neng 5) Nublang 6) Shupen Culture 7) Rai Culture (Wachpa) 8) Uachy (Machy Rai, Sub Ely) 9) Rungin 14 Uchi 10) Banchu Craft	1) Year 3 2) Mungphay 3) Mungphay 4) USD 5) Sochen Hydro Prol 6) Mining Co (3) 7) TKS NR 8) BPC 9) DOR (DOSI) 10) RBP 11) Telecom 12) Hydromat 13) Court 14) Dackway 1) Lake (Bayton) 2) Noh Kungpa 3) R. K. K. K. K. 4) E. K. K. K. K. 5) Orchid 6) Red Panda 7) Wild Panda 8) Rabbit Mark (OK)



### Site visit and feasibility assessment:

A joint team comprising group members, local administration officials, engineers, surveyors, and relevant stakeholders conducted a site visit to the proposed project location. The assessment marked the initiation of key preparatory activities, including processes for obtaining forest, environmental, and land demarcation clearances. The team recommended preserving the natural landscape by minimizing disturbances to the existing terrain. Accordingly, the technical team has been tasked with designing the site



layout in alignment with the area's natural features. Furthermore, the team advised incorporating cost-effective riverbank protection measures, where necessary, to prevent erosion and mitigate potential disaster risks across all project sites.



**Sites visit**

### **Picture of consultation and site verification of LABPED Governance initiatives**









