**CHAPTER 13: PLAN OUTLAYS**

D

evelopment planning in Bhutan can be tracked back to the year 1961 when the first Five Year Plan (1961/62 to 1965/66) was drawn up. Initially, self-contained development secretariat was established to implement the plan. At the time of preparation of the third plan in 1971, the Planning Commission (now, the Department of Planning) was established headed by the His Majesty the King. In the absence of basic economic information and skilled manpower, the formulation of the third plan, like earlier ones was relatively simple. Major developments in regard to the consolidation of the planning process took place in the fourth plan period, when the Dzongkhags were involved in the development process.

Until 1981 to 1982 the responsibility for making plan allocations, rising internal resources, and negotiations, foreign assistance etc. lay with the Planning Commission. In 1981 to 1982, a large part of the financial responsibilities of the Commission was transferred to the responsibilities for formulation of development plans and allocations of investments resources.

A substantial infrastructure for development of the economy had been built up in the first four plans so that by the end of the fourth plan, the planning process had gained a good deal of comprehensiveness and sophistication. These two factors enabled the economy to develop the capacity of absorbing much higher volumes of investment resources for development in the later five-year plans.

The Eighth Five Year Plan (1997 to 2002) laid emphasis towards attaining the objective of economic self-reliance, higher growth and greater distributional equity, the preservation and promotion of traditional values and ideals, and promotion of privatization. The Ninth Five Year Plan began in July 2002 will pursue maximization of Gross National Happiness as Development Goal and an Objective. Recognizing that wide ranges of factors that contribute to human well-being and happiness, four major areas are being identified as the pillars of Gross National Happiness. These are economic growth and development, preservation and promotion of cultural heritage, preservation and sustainable use of the environment, and good governance

