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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
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MoF/Budget Notification/2026-27/1359

June 30, 2026

Budget Notification for the Financial Year 2026-27

The Ministry of Finance (MoF) is pleased to notify that the 5th Session of the Fourth Parliament has passed the Budget Appropriation Act for the Financial Year (FY) 2026-27 for a total appropriation not exceeding **Nu. 153,296.213 million**.

The details of budget appropriations for FY 2026-27 are as follows:

Sl. No.	Broad Expenditure Classification	Nu. in million	
		Amount	Percent
1	Recurrent	63,028.514	41.1%
2	Capital	72,536.288	47.3%
3	Lending	1,048.540	0.7%
4	Repayment	16,682.871	10.9%
	Total	153,296.213	100.0%

The budget for FY 2026-27, the 3rd FY of the 13th Five-Year Plan (FYP), has been formulated in consultation with the budgetary agencies aligned with the theme "**Building Resilience and Self-Reliance**", to advance the 10X Economic Vision and foster a resilient and future-ready economy.

The total estimated resources for the FY is **Nu. 110,280.523 million**, including internal resources of **Nu. 79,583.039 million** and external grants of **Nu. 30,697.484 million**. Considering the total expenditure of **Nu. 135,564.802 million** against the estimated resources of **Nu. 110,280.523 million**, the fiscal deficit is **Nu. 25,284.279 million**, corresponding to **6.54% of the Gross Domestic Product (GDP)**.

To ensure that allocated public resources are utilized effectively and in a timely manner, all heads of budgetary agencies are hereby directed to immediately commence the implementation of the approved budget in accordance with the Annual Work Plans (AWP). In implementing the approved budget, agencies shall exercise due diligence, ensure value for money and prevent wasteful expenditure.

The following directives are issued for strict compliance during the implementation of the approved budget for FY 2026-27:

PART I: BUDGET IMPLEMENTATION AND GOVERNANCE

- 1. Budget Authorization and Expenditure Control:** All budgetary agencies shall operate strictly within the expenditure limits authorized under the FY 2026-27 Budget Appropriation Act and comply with the following provisions of the Public Finance Act 2007 and Public Finance (Amendment) Act 2012.



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- a. **Section 61:** *"Budgetary bodies shall expend public money only in accordance with an appropriation under the Budget and Appropriation Act."*
 - b. **Section 62:** *"No budgetary bodies shall carry out activities for which there is no provision in the Budget and Appropriation Act."*
 - c. **Section 63:** *"No budgetary bodies shall make commitments that have financial implications beyond the limits authorized by the Budget and Appropriation Act."*
- 2. Alignment of Annual Work Plan:** All budgetary agencies shall revise and finalise the AWP based on the approved budget and submit to the MoF by **July 15, 2026**. In view of the restrictions on deposit works, any activities and corresponding budget allocations identified for budget transfer, subject to the concurrence and implementation capacity of the receiving agency, shall be reflected in the revised AWP of both the client agency and the entrusted (implementing) agency, where applicable. The finalised AWP shall serve as the basis for monitoring the physical and financial progress of Annual Key Deliverables and informing budget ceilings and allocations in subsequent FYs.
- 3. Performance and Financial Accountability Framework:** As part of the ongoing efforts to strengthen the performance of budgetary agencies and enhance financial accountability, the mandatory financial prudence indicators shall continue to be incorporated and monitored in the Performance Dashboards of Executives and P1 Chiefs in the MaX system.
- a. **Productivity Savings:** Agencies must achieve a minimum of 3% savings from the controllable and activity-based recurrent budget funded by the RGoB; and
 - b. **Capital Budget Utilization:** Agencies are required to achieve at least 90% utilization of the capital budget measured based on both physical and financial progress.

The outcomes of the mandatory financial prudence indicators will be shared with RCSC for performance evaluation of the Executives and Chiefs.

PART II: BUDGET EXECUTION AND FISCAL DISCIPLINE

- 4. Optimization of Expenditure:** Within the limits of the estimated domestic resources for the FY, provisions under the controllable head have been allocated after provisioning for mandatory expenditure heads, including pay and allowances, provident fund contributions, retirement benefits, stipends, and interest payments.

Accordingly, all budgetary agencies shall ensure that the Controllable Expenditure are planned and implemented prudently, in strict compliance with the MoF's Optimization of Government Expenditure guidelines issued vide Notification No. MoF/DPBP/Circular/2025-26/540 dated November 26, 2025, as attached in **Annexure I**.



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5. **In-Year Budget Revisions and Formulation of Externally Funded Projects:** To strengthen coordination, accountability and financial oversight, budgetary agencies shall ensure:
 - a. All in-year budget revision proposals shall be routed through the respective Finance Division for review and clearance prior to submission to the MoF.
 - b. Active engagement of the respective Finance Division in the formulation and processing of all new externally funded projects.
 - c. All project agreements are signed in coordination and consultation with the Department of Macro-Fiscal and Development Finance (DMDF), in accordance with the Public Finance Act 2007 and established government financial management procedures.
6. **Supplementary Incorporation:** Incorporation of supplementary budget for external funded activities ***signed after the formulation of FY 2026-27 budget*** shall be facilitated based on fund commitments, KPIs, targets and output, a clear end result, and budget utilization plan. Therefore, requests for supplementary budget incorporation must be supported with a copy of the signed agreement and AWP drawn between development partners and implementing agencies.
7. **Prevention of Rushed Spending:** In line with Section 55 of the Public Finance Act 2007, re-appropriation and technical adjustments from unutilized/underutilized RGoB budgets to new activities shall not be permitted after the third quarter (March 31, 2027), except in urgent and unavoidable cases with strong justification. This measure is intended to prevent last-minute spending and ensure expenditure efficiency and effectiveness.
8. **Additional Works, Cost and Time Overrun:** To ensure effective planning, timely completion, and prudent use of public resources, budgetary agencies shall prepare complete and realistic project scopes, designs, and cost estimates prior to procurement. Activities initiated with RGoB funding shall be completed within the approved scope and budget, and no additional RGoB funding shall be provided for cost overruns, scope changes, delays, or related project adjustments. The same principle shall apply to projects initiated with external financing that subsequently seek RGoB funding.
9. **Ad-hoc and Unplanned Activities during the FY:** Budget allocations have been aligned with the approved budget ceiling under the 13th FYP and KPIs, while maintaining the fiscal deficit target. As no provision is made for ad-hoc activities, agencies shall re-prioritize within approved budgets to address emerging needs, and ensure prior Government approval for programmes without a clear policy mandate.

PART III: INVENTORY MANAGEMENT

10. **Proper Management of Inventories:** To strengthen asset management, all budgetary agencies shall ensure proper recording and tracking of all existing non-expendable properties and equipment or machineries including vehicles, buildings, land, furniture, computer etc. in the Government Inventory Management System before initiating any new procurement of assets for FY 2026-27, no later than

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August 31, 2026. In addition, supplementary incorporations and re-appropriations shall be processed only upon submission of the updated inventory.

PART IV: HUMAN RESOURCE AND ADMINISTRATIVE EXPENDITURE

11. Regular Mandatory Expenditure: All budgetary agencies have been allocated block grants under both current and capital heads to meet regular mandatory expenditures during the FY. This approach enhances process efficiency by enabling agencies to address routine requirements and avoid repeated submissions to the MoF.

- a. **New Appointments/Retirement Benefits for Ad-hoc Separation:** The provision allocated under OBC 26.01 shall **ONLY** be apportioned to admissible OBCs (OBC 1.01, OBC 2.01, OBC 24.03, and OBC 25.01) to meet the pay and allowances of new appointments as per the existing staff strength approved/recruited by RCSC/relevant Council/Board and retirement benefits for ad-hoc separations during the year.
- b. **Operational Capital Budget:** Similarly, a block grant for capital budget (OBC 56.01) has been allocated for the procurement of office equipment, furniture, computers, and crucial office renovations at the agency level. Given the flexibility, all the agencies shall prioritize the requirement from this allocation and avoid re-appropriations from other developmental capital activities and OBCs to office equipment, furniture, computers, and crucial office renovations.

12. Transfer Benefits and Pay & Allowances of Transferred Personnel:

- a. **Transfer Benefits:** To ensure efficient deployment and optimal utilization of human resources across the country, annual transfers shall be implemented in a phased manner by agencies as part of annual human resource management initiatives. For FY 2026-27, the following modality shall be adopted:
 - i. In implementing transfers, preference shall be accorded to civil servants who have served for extended durations in the same place of posting, with the objective of gradually addressing existing transfer backlogs and facilitating a more efficient deployment and utilization of human resources.
 - ii. Positions categorized as vulnerable or sensitive shall continue to be managed in accordance with the transfer policies and guidelines established by the respective parent agencies.
 - iii. Transfer benefits for employees transferred under the annual transfer program shall be provided in accordance with the prevailing rules and regulations.
 - iv. The corresponding budget requirements shall be submitted to the MoF for reimbursement on a quarterly basis in accordance with applicable financial procedures and budgetary provisions.
- b. **Pay and Allowances of Transferred Personnel:** The respective Finance Division/Section shall ensure that the pay and allowances of transferred

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personnel are properly re-assigned to the receiving agencies within the approved recurrent budget.

PART V: FINANCIAL REPORTING AND ACCOUNTABILITY

13. Expenditure Reporting: To ensure accurate, complete, and timely reporting of public expenditure, the following reporting requirements shall be strictly observed.

- a. **Expenditure Booking for Block Grant and Conditional Financing:** It has been observed that some budgetary agencies have directly booked expenditures under Block Grant OBCs 7.01, 7.02, 26.01, and 56.01, and FIC 0083 (RGoB Conditional), which are intended solely for budget allocation.
 - i. Accordingly, the respective Finance Divisions shall ensure that budget provisions are appropriately apportioned across the relevant sector/department/field office, programme, sub-programme, activity, and OBC prior to the booking of expenditures. This is to ensure accurate expenditure recording, facilitate effective budget monitoring, and strengthen the quality of financial reporting.
 - ii. Allocations under the Conditional RGoB financing shall be re-appropriated only upon obtaining the requisite clearance from the MoF for implementation. Any direct booking of the expenditure under this specified FIC shall be construed as a breach of budgetary rules and regulations.
- b. **In-kind Expenditure Reporting:** Budgetary agencies receiving in-kind support or activities directly implemented by development partners such as roads construction by DANTAK, the construction of the Royal Centre for Infectious Diseases by JICA, POL/Fertilizer subsidy, etc. shall record corresponding expenditure in e-PEMS upon obtaining the relevant budget head from the Department of Planning, Budget and Performance (DPBP). This is to ensure comprehensive accounting, accurate reporting of in-kind assistance under the 13th FYP programs, and enhanced transparency of public expenditure management.

PART VI: ALLOCATION FOR CENTRALIZED GOVERNMENT SERVICES

14. Centralization of Internet Charges: The payment of internet charges for budgetary agencies is allocated under the GovTech Agency. Accordingly, budgetary agencies included in the GovTech demand aggregation list shall not be required to apportion separate budgets for internet charges. Any new internet connections or bandwidth upgradation shall be undertaken only in consultation with the GovTech Agency for onward payment of internet charges.

15. Annual Maintenance Contract (AMC) of the Government ICT Systems: The budget for AMC of whole of Government ICT systems is provisioned under the GovTech Agency. Accordingly, agencies covered under this arrangement shall not apportion any budget for this purpose, as attached in **Annexure II**. Any issues related to system maintenance and support shall be coordinated in consultation with the GovTech Agency.

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PART VII: SPECIAL FINANCIAL MANAGEMENT PROVISIONS

16. Disaster Financing: In the event of a disaster during the FY, all budgetary agencies including LGs shall adhere to the process and provisions of the Revised Operational Guidelines for Disaster Financing 2026 that will be issued upon approval of the Government for accessing disaster financing from the disaster contingency fund maintained under the MoF. Further, any procurement related to disaster preparedness and post disaster shall be as per the Emergency Logistics Preparedness Procurement Manual 2026, as attached in **Annexure III**.

17. Distribution/Supply of Free Handouts/Equipment/Tools/Seeds/Seedlings: Those budgetary agencies that do not have the established guidelines or formal government endorsement for the distribution and supply of any free handouts both in cash and in-kind, shall be required to seek the prior approval from the MoF before implementation. This is to ensure alignment with the principles of prudent public financial management and efficient use of public resources.

18. Current Deposit (CD) Account: The CD budget has been provisioned under the respective CD Financing Item Codes (FICs) based on the budget estimates submitted by the concerned budgetary agencies and the projected fund accumulation. However, additional budget incorporation during the FY shall be allowed only for exceptional cases, subject to the availability of funds under the respective CD accounts. Agencies shall therefore prioritize the utilization of the allocated CD budget to support and supplement the AWP, KPIs and targets aligned to the organizational strategic goals. This is intended to optimize the use of available resources and strengthen value for money.

19. Deposit Works: To promote ownership and ensure responsibility for project implementation, and to strengthen planning, accountability, and expenditure quality, deposit works shall be restricted and permitted only under exceptional circumstances with adequate justification. Where the implementation modality was not confirmed during budget formulation, the respective central agencies shall, based on the activities and corresponding budget allocations identified for transfer in the revised AWP, process the budget transfers to the implementing agencies, no later than August 31, 2026. Accordingly, ad hoc and in-year budget transfers shall be avoided and strictly limited.

20. Construction of Offices, Staff Quarters, Designated Residences and other Non-essential Infrastructure: Construction of offices, designated residences, staff quarters, and other non-essential infrastructure such as gates, guesthouse, compound fencing, boundary wall and games and sports facilities (except educational institutes) shall be restricted. Budgetary agencies intending to undertake such construction during the FY through re-appropriation or apportionment from Annual Block Grant must seek prior approval from the MoF before initiating the work.



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- 21. No Provision of Additional Budget for Fines and Penalties:** Budgetary agencies must ensure compliance with all applicable laws and regulations to avoid incurring fines and penalties. No additional budget shall be provided to meet such payments.
- 22. Provisions Specific to State-Owned Enterprises/Fiscal Transfers:** The release of approved allocations by the Department of Treasury and Accounts (DTA) to the relevant State-Owned Enterprises (SoEs) shall be contingent upon the submission of financial and physical plans, duly verified by the DMDF, by July 31, 2026. Furthermore, MoF clearance must be sought through DMDF for any sectoral programmes, whether cash or in-kind, for implementation within agency's approved allocation through SoEs during the FY.
- 23. Finance Committee Endorsement:** All budget-related matters concerning Ministries, Central Agencies, Dzongkhags, and Thromdes, including the apportionment of Block Grants and any requests requiring the approval or intervention of the MoF during the FY, shall be endorsed by the respective Finance Committee prior to their submission to the MoF. In addition, the Finance Division shall ensure that all requests fully comply with the applicable policies, guidelines, and other relevant rules and regulations before submission to the Finance Committee for endorsement and onward submission to the MoF. The relevant notifications and guidelines are annexed for strict compliance.

PART VIII: PROVISION SPECIFIC TO LOCAL GOVERNMENT

- 24. Allocation of Annual Grants:** The annual grants for LGs, both recurrent and capital expenditure shall be expensed in compliance to the Annual Grant Guidelines (AGG) 2024 and subsequent notification on Restriction on Construction of Community Meeting Halls at Chiwog Level, vide MoF/DPBP/2025-26/466, dated October 24, 2025 as attached in **Annexure IV**. The annual grant must be utilized for implementing activities to achieve the Annual Key Deliverables and the seven Local Government Key Results Areas identified in the 13th FYP.

The total capital block grant for Dzongkhags and Thromdes for the FY also reflects adjustments of the budget allocated over and above the ceilings during FY 2024-25 and FY 2025-26 (as of March 2026).

a. Budget Apportionment from Annual Grants

- i. **Dzongkhag and Thromde level:** The Dzongkhag and Thromde Finance Committees shall assess, prioritize, and apportion annual grants based on AWP, in accordance with the Budget Notification and the AGG 2024. The proposed allocations shall be submitted to the respective Dzongkhag Tshogdu and Thromde Tshogde for endorsement.
- ii. **Gewog Level:** The Gewog Tshogde shall assess, prioritize, and apportion annual grants based on the AWP, in accordance with the Budget Notification and the AGG 2024. The Dzongkhag Planning Officer and Finance Officer shall provide the necessary technical guidance and support to ensure that the allocation of grants is aligned with planning priorities, budget provisions, and applicable guidelines.

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25. Implementation of Performance-Based Grants for Gewogs: In accordance with the Budget Appropriation Act FY 2025-26, the release of 30% of the RGoB Capital Block Grant to Gewogs in FY 2026-27 shall be contingent upon the performance assessment of FY 2025-26 Capital Block Grant. Similarly, the release of Capital Block Grants for FY 2027-28 shall continue to be linked to performance assessment in line with the provisions of the AGG 2024.

As stipulated under the AGG 2024, expenditure on furniture, office equipment, chadri items, and maintenance of office buildings shall be limited to Nu. 0.200 million. Further, allocation for multiple small-scale activities shall remain within the ceiling of Nu. 0.300 million. In addition, the ceiling of 10% of the Annual Block Grant for religion and culture-related activities shall continue to be governed by the existing provisions of the AGG 2024.

Notwithstanding the above, flexibility shall be considered in exceptional and unavoidable circumstances including disaster response, urgent public service requirements, procurement of essential equipment and furniture for the health and education sectors, maintenance and rehabilitation of school and healthcare infrastructure, replacement of critical ICT equipment, and other exigencies of similar nature and importance requiring immediate interventions.

Accordingly, Gewogs may submit requests for deviations from the prescribed thresholds and ceilings to the respective Dzongkhag Finance Committee (DFC) for review and approval on a case-by-case basis. The DFC shall exercise due diligence to ensure that such deviations are strictly limited to critical, unavoidable, and exceptional circumstances where non-intervention would significantly compromise direct public service delivery. All such approvals by the DFC shall be supported by adequate justification, formally documented and shared with the DPBP for year-end assessment.

26. Introduction of Performance Based Grant Mechanism for Dzongkhags and Thromdes: In accordance with Section 8 of the Budget Appropriation Act FY 2026-27, the Performance-Based Grant (PBG) mechanism is hereby introduced for Dzongkhags and Thromdes commencing from FY 2026-27. As FY 2026-27 constitutes the first year of implementation of the PBG mechanism for Dzongkhags and Thromdes, the performance assessment undertaken for FY 2026-27 budget shall establish the baseline and form the basis for determining the release of 30 percent of the Annual Capital Block Grant allocations for FY 2027-28.

The performance of Dzongkhags and Thromdes shall be assessed based on three key dimensions: **strategic performance and service delivery, sound financial management, and compliance with Government laws, policies, guidelines, and notifications.**

The detailed assessment framework, and implementation modalities for the PBG mechanism, shall be issued separately by the MoF.

27. Uniform Implementation of Revised School Stipend for Balanced Nutrition: In cognizance of nutritional requirements and prevailing market prices, the



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Government revised the stipend rates for schools effective July 1, 2025. However, it has been observed that the implementation of stipend is inconsistent across Dzongkhags which is not in line with the intent of the revised stipend of the school feeding program.

Therefore, all Dzongkhags are hereby reminded to uniformly implement the revised stipend rates during the academic year (excluding summer and winter vacations), as below:

- a. The Dzongkhag Administration shall plan and arrange the supply of food items for each school within the prescribed per-student stipend, taking into account the existing student enrolment. In doing so, due consideration shall be given to ensuring adequate, quality, and balanced nutrition for all students covered under the school feeding programme.
- b. To enhance transparency, accountability and minimize wastage, leakages, and potential misuse of funds, payments shall be made directly by the Dzongkhag Administrations to suppliers and vendors based on actual supplies delivered and duly certified by the respective school management.
- c. Schools shall be responsible for verifying the quantity and quality of supplies received and ensuring that the nutritional objectives of the School Feeding Programme are achieved.

28. Construction, Improvement and Maintenance of Dzongkhag Roads: In line with the Lhengye Zhungtshog directives issued vide letter No.C-3/142/2023/1619 dated May 1, 2023, the budget for routine maintenance and improvement of Dzongkhag roads has been allocated to the Department of Surface Transport (DoST), Ministry of Infrastructure and Transport (MoIT), as below:

- a. Routine Maintenance of Dzongkhag Roads: Nu. 173.208 million
- b. Improvement of Dzongkhag Roads: Nu. 2,464.233 million

Therefore, the DoST shall be responsible for ensuring roads are adequately maintained and remain functional at all times. Dzongkhags and Gewogs, as the primary stakeholders, shall monitor and assess the quality and effectiveness of the repair and maintenance works carried out on these roads.

29. Additional Allocation for Dzongkhags: In addition to the standard block grant allocation of 25%, the Dzongkhags have been provided an additional allocation as below:

- a. **Health:** As part of the National Medical Services (NMS) 13th FYP outlay, an additional 2% of RAF outlay has been allocated to address emerging and priority health-related capital expenditure requirements. Further, based on NMS identified priority interventions, a separate project-tied allocation of Nu. 76 million has been provisioned for relevant Dzongkhags.
- b. **Education Sector:** Similarly, a total of Nu. 335.335 million has been allocated to Dzongkhags and Thromdes for the implementation of centrally planned Ministry of Education and Skill Development (MoESD) activities. The detailed activity-wise allocations have been incorporated under the respective Dzongkhags and Thromdes to facilitate timely implementation.



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- c. **School Sports Program:** Based on the total estimates provided by the MoESD, controllable budget of 20 Dzongkhags also include estimates to support school-based sports and physical activity programmes. As such, expenses for cluster and Dzongkhag level sports meets shall be met from the enhanced controllable budgets of the respective Dzongkhags and charge the expenses under OBC 14.07 and OBC 17.08, as applicable.

For Regional and National Sports Meets, a separate budget has been provisioned under the MoESD; accordingly, no additional budgetary support shall be admissible to LGs for these activities.

- d. **Tourism Related Activities:** An additional allocation of Nu. 39.900 million has been provisioned to Dzongkhags under OBC 58.01 (Local Economy and Tourism Promotion) from the outlay of Ministry of Industry, Commerce and Employment (MoICE) to support festival celebrations aimed at promoting tourism and preserving cultural heritage.

Dzongkhags shall utilize the allocation strategically for operational and logistical expenses related to designated festivals, ensuring alignment with the national tourism promotion agenda and compliance with applicable financial and procurement rules.

30. High Impact Community Development Projects (HICDP): All LGs shall ensure implementation of the approved activities strictly within the committed outlay. In cases where contract amounts or total expenditures exceed the approved allocation, the respective LGs must prioritize and meet the additional cost from the respective RAF allocation as no provision has been maintained under the MoF for such cost escalations.

31. Ensuring Accuracy and Structure in Activity Naming: It has been observed that, in some cases, budget provisions are being incorrectly classified under activity titles that do not accurately reflect the actual nature of the expenditure, thereby disguising ineligible or disallowed expenditures under the pretext of permissible activities.

In this regard, to ensure transparency, accuracy, and proper budget classification, LGs shall adhere to the following:

- Activity and sub-activity titles shall be clear, precise, and consistently structured to accurately reflect the nature and purpose of the expenditure, avoiding any ambiguity or misrepresentation;
- The same title shall not be used for both an activity and sub-activities;
- Separate activities should not be created for each sub-activity unless there is a clear functional or budgetary justification; and
- Where appropriate, related sub-activities shall be consolidated under a single, well-defined main activity to ensure a coherent and organized budget structure.

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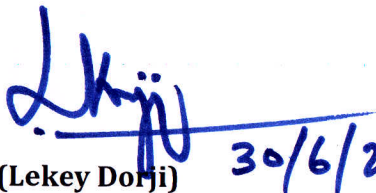


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All budgetary agencies are urged to review the approved budgets and urgently plan the implementation of programmes and activities meticulously to ensure optimal financial and physical results.

The Budget Report for FY 2026-27 can be downloaded from the MoF's website at www.mof.gov.bt and the budget appropriation of the respective budgetary agencies can be accessed through www.myrbpems.bt.


30/6/2026

(Lekey Dorji)
Finance Minister
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For kind information

1. Dasho Zimpon, Office of the Gyalpoi Zimpon, Thimphu.

Copy to:

1. Hon'ble Prime Minister, Gyalong Tshogkhang, Thimphu;
2. Hon'ble Chief Justice, Supreme Court, Thimphu;
3. Hon'ble Speaker, National Assembly, Thimphu;
4. Hon'ble Chairperson, National Council, Thimphu;
5. Hon'ble Ministers, all Ministries, Thimphu;
6. Hon'ble Auditor General, Royal Audit Authority, Thimphu, for kind cooperation and information;
7. Heads of the other Constitutional Bodies, Thimphu;
8. Cabinet Secretary, Gyalong Tshogkhang, Thimphu;
9. Finance Secretary, MoF for ensuring adherence to the notification;
10. All Government Secretaries, RGoB, Thimphu for kind cooperation;
11. The Attorney General, OAG, Thimphu;
12. Heads of all Autonomous Agencies, Thimphu;
13. All Commission Secretaries - SGs of NA and NC, Secretary NLC, Dratsang Lhentshog, and GovTech Agency;
14. Vice Chancellor, RUB, Thimphu;
15. President, KGUMSB;
16. Dzongdags, all 20 Dzongkhags;
17. Thrompons and Executive Secretaries, all Thromdes;
18. Gups, all 205 Gewogs;



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19. Director, DPBP, MoF for coordination and necessary actions;
20. Heads of Finance Divisions of all budgetary agencies to ensure dissemination of this notification to all agencies within your jurisdiction; and
21. Office copy.

Annexure: As Enclosed.

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Annexure I

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MoF/DPBP/Circular/2025-26/540

November 26, 2025

Circular

Optimization of Government Expenditure

In line with the Royal Government's commitment to strengthen fiscal discipline and promote the prudent use of public resources, the Ministry of Finance (MoF) has undertaken a comprehensive review of existing expenditure practices. To ensure efficient utilization of limited financial resources, eliminate non-essential spending, and maintain consistency across all budgetary agencies, the following cost optimization measures are being issued.

These measures are intended to reinforce accountability, encourage responsible financial management, and uphold the principles of transparency and prudence in public expenditure.

1. **One time joining dhar ceremony expenses:** The expenditure ceilings for the one-time joining Dhar ceremony, as specified in MoF Notification No. MoF/DPBP/Rules-1/2023-24/564 dated March 5, 2024, and in the Guidelines on Allotment of ICT Equipment, Vehicles, and Joining Ceremony Expenses for HPM, Cabinet Ministers, and Equivalent Position Holders issued on January 1, 2024, serve as guiding thresholds for responsible spending. These ceilings are not separate budget allocations for individual position holders. They define the maximum permissible amount that may be utilized from the agency's approved controllable budget, ensuring fiscal discipline while enabling dignified ceremonial arrangements.

Over time, these ceilings have been misconstrued as mandatory spending requirements, leading to inconsistent expenditures across agencies. To promote a uniform understanding and ensure the prudent use of limited public resources, the MoF hereby issues the following clarification and instructions:

- a. One time joining dhar ceremony expenses shall be strictly limited to **Zhudray Phuentsum** and **suja desi** organized in respective offices only for new appointments and transfers regardless of the sources of funding.
- b. This shall apply to position level EX 3A and above in the Civil Service, Heads and Commissioners of Constitutional Bodies, Drangpons of Supreme/High/Dzongkhag Court, Registrar General of Supreme/High Court, Members of Parliament,

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Thridzins of Dzongkhag Tshogdu & Gewog Tshogde, Thrompon, Vice Chancellor of RUB, President of KGUMSB, Dean of JSWSL, Heads of EMCs, HPM, Cabinet Ministers and Equivalent Position Holders.

However, joining ceremony expenses shall not be applicable for promotions within the same department, such as from *Director to Director General*.

- c. The MoF reiterates that such expenses must be met exclusively from the agency's approved controllable budget, and strictly limited to the provisions under section a) above.
 - d. This circular supersedes the MoF Notification issued vide reference no. MoF/DPBP/Rules-01/2023-24/564 dated March 5 2024 on Joining Expenses of Executives and the specific provision on expenses for Joining/Dakyen Ceremony for Hon'ble Prime Minister, Cabinet Ministers and Equivalent Position Holders in the *Guidelines on Allotment of ICT Equipment, Vehicles and Joining Ceremony Expenses for HPM, Cabinet Ministers and Equivalent Position Holders*.
2. **Consecration and Inaugural expenses:** While consecration/inaugural ceremonies hold cultural and spiritual significance, it is essential to observe fiscal prudence. Therefore, expenses related to such ceremonies, irrespective of the source of funding, shall be limited only to public infrastructure projects of national importance and significance. The inaugural ceremonies for designated residences and staff quarters shall not be allowed, in keeping with the principles of responsible public spending.
3. **Printing:** To reinforce sustainable practices and reduce paper wastage, all budgetary agencies are hereby directed to continue implementing the following measures:
- a. **Printing of reports and publications:** Discontinue printing of annual/quarterly/monthly reports and eliminate paper publications. All such reports & information shall be uploaded to agency' websites and distributed electronically to ensure wider accessibility and reduce environmental impact.



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- b. **Office printing:** Duplex printing (double-sided) shall be the default setting for all office printers. Agencies shall encourage the use of back pages of obsolete documents or scratch papers for printing non-sensitive, draft or internal communication. Similarly, color printing shall be restricted.
 - c. **Consolidation of printers:** The head of the agency shall ensure that the procurement of dedicated printers per employee shall be discontinued and promote the use of network printers or initiate consolidation of printers in the office.
4. **In-country travel:** In line with Section 2.4.3 of the existing Travel Rules, March 2024, issued vide reference no. MoF/DPBP/Rules-01/2023-24/528 dated February 16, 2024, carpooling for group travel (2 or more officials travelling for the same purpose) shall be implemented by heads of agencies for cost effectiveness.

Further, the payment of TA/DA for in-country trainings workshops, seminars, meetings, evaluations etc. within and outside Dzongkhag shall be strictly implemented as follows:

- i. Participants from duty stations outside the Dzongkhag/Thromde:
 - a. shall be eligible for DA only if the program extends beyond one day and the return to the place of work requires more than a day.
 - b. Shall not be eligible for DA if the participant can return to their place of work within the same day.
- ii. Participants stationed within the same Dzongkhag/Thromde shall be eligible for DA in the following cases only if:
 - a. The training venue requires more than a day to return to the place of work; or
 - b. Mandated by the organizing agency to halt at the venue if the program duration exceeds one day, even if the venue is within a day's return time.
- iii. Participants shall be eligible for TA only, if the training venue is beyond 10 kms from the place of work and is within a day's time to return to place of work, provided that no official transport was arranged for pick-up and drop off during the workshop. The agency shall assess and determine the return feasibility to the workplace based on distance and accessibility.

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5. **Ex-country travel:** Foreign travel shall be restricted to unavoidable official engagements. As such, the HRC of the agency shall restrict study tours, participation in seminars, workshops, conferences funded by the RGoB except for formal mandatory meetings of bilateral/multilateral bodies. Where the international meetings are unavoidable, the agencies shall use the diplomats in the Embassies, Missions, Consulates abroad to represent the agencies & reduce the size of official delegations.

Furthermore, when economy-class air tickets are provided through donor assistance or sponsorships, officials entitled to business class travel shall not be allowed to upgrade through any funding sources. Officials are expected to exercise discretion and accept invitations that commensurate with respective position levels, ensuring appropriate representation while maintaining fiscal responsibility.

6. **Refreshments and Meals:** Official lunches, dinners, and refreshment shall not be provided for internal meetings, interviews, committee meetings except where explicitly approved by the Head of the Agency or arranged for foreign delegations. To avoid duplication of efforts and optimize resources, agency heads are advised to consult and coordinate with the MFAET and DMDF, MoF when hosting luncheons or dinners for the same group of foreign delegates. Further, if alcoholic beverages are deemed necessary, it must be limited to locally produced options, and the total value must not exceed that of the meals served. This is to ensure fairness, fiscal prudence, and consistency in official hospitality practices.
7. **In-country training, conference, workshops and seminars:** All in-country training programs, conferences, seminars and workshops must be organized with utmost austerity. Such activities shall be initiated only upon clear justification and approval by the head of the agency. To ensure prudent use of public resources, the following guidelines must be strictly observed:
- Minimize hiring of space for meetings and conferences unless absolutely necessary and use space in the government facilities. For example, agencies must restrict holding tender evaluation meetings outside office premises.
 - Use video conferencing and online tools where available and appropriate for meetings and agency-hosted seminars, workshops and training.



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- c. The training venue shall be arranged in a place or location where maximum participants are stationed.
 - d. All short-term training programs must be coordinated and delivered through domestic training institutes. This approach promotes cost-effectiveness, supports local employment, and curbs foreign currency outflows. External training options may be considered only when a relevant program is not available within the country, and such cases must be clearly justified and properly documented.
8. **Awareness, Sensitization and Advocacy programs:** Expenses for awareness, sensitization, and advocacy programs must be optimized to ensure cost-effectiveness and avoid duplication of efforts. Agencies shall leverage ICT & digital platforms, and LG officials as alternative and efficient dissemination channels wherever feasible. This approach shall also apply uniformly to donor-funded projects and programs to promote consistency, resource efficiency and broader outreach.
9. **Extension Kits:** To curb excessive and repetitive spending, the procurement and distribution of non-essential extension kits such as tents, sleeping bags, boots, rucksacks, camping equipment, and related items, shall be strictly restricted, irrespective of the funding source. Head of agencies must ensure full compliance and shall not initiate any such procurement without prior approval of the MoF. This measure aims to ensure that only essential requirements are met and to promote the prudent and efficient use of public resources.
10. **Payment of prize money, cash support and free toolkits:** All budgetary bodies shall refrain from providing cash-based incentives (prize money and cash support) and free toolkits including cost-sharing handouts, regardless of the funding source, unless specific and prior approval is accorded by the MoF.
11. **Fuel & Maintenance of Vehicles:** Given the rising year-on-year expenses on fuel and vehicle maintenance (averaging 10 percent annually), Agency Heads must ensure strict economy in the use of both designated and pool vehicles, limiting usage exclusively for official purpose. To contain maintenance costs, surrendered vehicles shall not be available for redeployment.

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12. **Procurement and replacement of Laptops:** Officials shall not be issued multiple laptops/desktops irrespective of available funding sources (RGoB/Donor Funded). Replacement of the laptops must be approved by the Head of Agency, based on verification of equipment condition by the ICT officer and procurement/store officer, and must not result from mishandling.

In keeping with the sacred mandate entrusted to the Ministry of Finance as the custodian and manager of limited public resources by the Public Finance Act 2007, the undersigned urges all budgetary agencies to implement the above measures, in both principle and spirit, to ensure the effective use of public resources. Collective adherence will reinforce fiscal discipline, improve operational efficiency, and advance the Royal Government's overarching goal of sustainable and responsible public finance management.

This shall come into effect from December 1, 2025 and shall supersede the Notification issued vide MoF/DNB/Notification/2022-23/308 dated September 1, 2022.

(Lekey Dorji)

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For kind information

1. Dasho Zimpon, Office of the Gyalpoi Zimpon, Thimphu for kind information.

Copy to:


1. Hon'ble Prime Minister, Gyalyong Tshogkhang, Thimphu.
2. Hon'ble Chief Justice, Supreme Court, Thimphu for communication within the Judiciary.
3. Hon'ble Speaker, NA and Chairperson, NC, Thimphu.
4. Hon'ble Ministers, all Ministries, Thimphu.
5. Hon'ble Auditor General, Royal Audit Authority, Thimphu for kind information and necessary action.
6. Heads of the other Constitutional Bodies, Thimphu.
7. The Cabinet Secretary, Gyalyong Tshogkhang, Thimphu.
8. All other Government Secretaries, RGoB, Thimphu for kind cooperation and implementation.



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9. The Attorney General, OAG, Thimphu.
10. Heads of all Autonomous Agencies, Thimphu (Centre for Bhutan and GNH Studies, NLC, Dratshang Lhengtshog, NSB, BOC, RIM, JSWSL, BNLI, Gyalsung, The Pema Secretariat, NCHM and affiliated agencies under the Ministries)
11. All Commission Secretaries including SGs of NA and NC, and GovTech Agency.
12. Vice chancellor, RUB and president, KGUMSB for communication to all colleges.
13. Dasho Dzongdags, all 20 Dzongkhags, Thrompons, all 4 Thromdes, and Gups, all 205 Gewogs.
14. Director, DPBP, MoF for coordination and enforcement as notified here.
15. Director, DPP, MoF for enforcement related to public properties.
16. Heads of Finance Divisions of all budgetary bodies.
17. Chief Internal Auditor, CCAIA, MoF.


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Annexure II: AMC of the Government ICT Systems

Sl. No	system name	Responsible agency
1	AMC for the eRALIS, BCTA	BCTA
2	AMC for ePEMS/MYRB, MoF	MoF
3	AMC for Citizen Services (27 Systems providing 152 g2c services)	MoF
4	AMC for eGP	MoF
5	AMC for eCMS	MoF
6	AMC for eSakor	NLCS
7	AMC for ZEST	RCSC
8	AMC with enhancement and Tech Stack Upgradation for DMS	RCSC
9	AMC for SET	RCSC
10	AMC for ZRS	RCSC
11	AMC for MAX	RCSC
12	AMC for LFS	RCSC
13	AMC for OFS & FIRMS	MoENR
14	AMC with enhancement and Tech Stack Upgradation for SDSS	MoENR
15	AMC for BLMIS (MoICE) and TVET MIS	MoICE
16	AMC for ARMS, Samdrup Jongkhar Thromde	S/Jongkhar Thromde
17	AMC for RMS, Phuentsholing Thromde	Phuentsholing Thromde
18	AMC for ARMS, Gelephu Thromde	Gelephu Thromde
19	AMC for eBMSIS	MoH
20	AMC for HWSS	The Pema secretariat
21	AMC for GIMS	MoF
22	AMC for website Consolidation and New Development (122 websites for now)	For all Ministries & Agencies with GovTech ICT support (RGOB)
23	AMC for BIRMS DRC	DRC, MOF
24	AMC for BIRMS Autonomous	MoF
25	AMC with enhancement and Tech Stack Upgradation for BMHC/MHPC-HPMS BQPCA	BQPCA



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Sl. No	system name	Responsible agency
26	AMC for PTS	DRC/MoF
27	AMC for EMIS	MoESD
28	AMC for NFE MIS	MoESD
29	AMC for FRS	MoAL
30	AMC for Bhutan Road Watch	DoST
31	AMC for HERCS along with enhancement within the ePIS	NMS
32	AMC for VTS	NMS
33	AMC with enhancement and Tech Stack Upgradation for WaSIS (Water and Sanitation Information System)	MoIT
34	AMC with enhancement for CMS (Construction Manager Software)	MoIT
35	AMC for Biometric	MoHA
36	AMC for Border Management System	MoHA
37	AMC for Bhutan Open Data Sharing Platform, DSAI	GovTech
38	AMC for IBLS	MoICE
39	AMC for Agromet Decision Support System (ADSS)	MoAL
40	AMC for Plant Protection Product information system (PPPIMS)	MoAL
41	AMC for Zero Waste web-based Dashboard and App	MoENR
42	AMC for Online Sales of Bhutan National Standards - eStandards	MoICE
43	AMC for MySherig - Online Learning Platform - LMS	MoESD
44	AMC for BHSL (Bhutan Sign Language)	MoESD
45	AMC for Bhutan DRM System (Disaster Management)	MoHA
46	AMC for Online Standard and Certification Services	MoICE
47	AMC for eDATS	MoF
48	AMC for PRMS, NC/NA	NC & NA
49	AMC for Road Watch App	MoIT
50	AMC for Bridge Management System (BMS)	MoIT
51	AMC for Rural Timber Permit	MoENR
52	AMC for Bhutan Biodiversity Portal (BBP)	MoAL
53	AMC for Building Resilient Commercial Smallholder Agriculture	MoAL



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Sl. No	system name	Responsible agency
	(BRECSA)	
54	AMC for myNLCS	NLCS
55	AMC for ARB TVET system	MoESD
56	AMC for Ornamental Floriculture Database system	MoAL
57	AMC for Digital Archival System	Cabinet, OAG, DRC
58	Development of ChatBot (10 agencies)	Respective Agencies
59	NDI Integration for the systems (10 systems)	Respective Agencies
60	AMC for ePIS	GovTech

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1. Purpose and Scope

- a. This Disaster Response Procurement Manual provides practical and operational guidance for officials engaged in procurement activities related to disaster preparedness, emergency response, relief operations, and early recovery activity logistics across Bhutan. It is intended for use by procurement units of all Central Agencies and the 20 Dzongkhags.
- b. The primary objective of the Manual is to strengthen preparedness through advance planning, framework contracting, pre-identification of suppliers/ Service Providers, and standardized procurement procedures. These measures are designed to enable rapid mobilization of goods and logistics services during disasters while ensuring accountability, transparency, fairness, and value for money.
- c. Advance planning and framework contracting shall be prioritized to minimize the need for ad hoc emergency procurement. Emergency procurement methods shall be used only to the extent necessary to address urgent needs.
- d. This Manual applies both during the preparedness phase and upon the declaration or activation of an emergency or disaster by the competent authority.
- e. The scope of this Manual is limited to logistics-related procurement:
 - ❖ Goods (e.g. relief supplies, emergency kits, equipment, consumables, shelter materials, medical and hygiene items.);
 - ❖ Non-consulting services (e.g. transport, logistics, repair, debris clearance, Warehousing); or
 - ❖ Food essentials required for disaster response and early recovery
- f. First utilize available in-house and jurisdictional resources, next activate pre-established framework contracts, and where gaps remain piggybacking or direct contracting methods.

2. Legal Basis

a. Disaster Management Act of Bhutan 2013

Section 89 of the Disaster Management Act of Bhutan 2013 provides the statutory basis for emergency procurement. It empowers the National Disaster Management Authority (NDMA), upon obtaining prior approval from the Ministry of Finance, to exempt specific supplies of goods and services from standard procurement procedures where exigencies of a disaster situation demand the most direct and least time-consuming method of procurement.

b. Public Finance Act of Bhutan 2007

Section 104(i) of the Public Finance Act of Bhutan 2007 authorizes the Ministry of Finance to issue rules, manuals, directives, instructions, or notifications relating to procurement. This Manual is issued under that authority.

c. Procurement Rules and Regulations 2025

This Manual is operationalized in harmony with the Procurement Rules and Regulations 2025. It provides field-level guidance on the appropriate use of procurement methods permitted under the PRR during preparedness and emergency situations, without creating parallel or conflicting procedures.

3. Procurement Modalities under PRR 2025

- ❖ **Shortlisting of Bidders:** In accordance with PRR Clause 43, Procuring Agencies shall maintain and periodically update lists of qualified bidders for use under Limited Tendering and Direct Contracting Methods. Shortlisting shall be based on past performance, technical and financial capacity, absence of adverse records with Procuring Agencies, relevance of experience and other relevant factors as deemed necessary.
- ❖ **Use of Electronic Government Procurement (eGP):** The Procuring Agencies shall, to the extent practicable, conduct procurement activities through the eGP system. Where the use of eGP is not feasible due to emergency conditions, technical limitations, or operational constraints, procurement may be carried out through offline tendering.

a. Framework Contracting

- i. Procurement of goods and non-consulting services related to disaster preparedness and emergency logistics shall, to the extent practicable, be carried out through Framework Contracting in accordance with PRR Clause 34, with a maximum validity period of three years.
- ii. Framework contracts shall be non-committal agreements establishing terms and conditions, unit rates, service levels, and performance standards. No financial obligation shall arise until a Call-Off Order is issued.
- iii. Framework contracts may be awarded to multiple bidders who meet the qualification requirements and whose prices are determined to be reasonable and acceptable. When issuing Call-Off Orders, preference shall be accorded to the bidder offering the lowest evaluated price.

b. Limited Tendering Method

- i. The Limited Tendering Method may be used as permitted by PRR Clauses 23 to 25, particularly for identifying suppliers and service providers within the locality to ensure timely response during emergencies.

- ii. Shortlisted bidders shall be selected based on proximity, accessibility, capacity, and past performance. Where practicable, a reasonable number of bidders shall be invited to maintain competition. The rationale for using limited tendering and the list of invited bidders shall be documented.

c. Direct Contracting Method

- i. For items or services that are not pre-identified under framework contracts or limited tendering arrangements, and where immediate procurement is required, the Direct Contracting Method may be applied in accordance with PRR Clause 28(7).
- ii. Direct contracting shall be supported by written justification outlining the urgency, lack of alternatives, and reasonableness of price.
- iii. **Piggybacking:** In emergency situations, and in accordance with PRR Clause 28(8), Procuring Agencies may rely on quotations, rates, or contracts established by other government agencies or international agencies operating in Bhutan.

4. Procurement Listing Areas for Emergency Logistics

The following procurement categories are indicative and not exhaustive. Agencies may expand or adapt the list based on their Disaster Management and Contingency Plans.

a. Transportation Services

- i. To ensure standardization and cost control, the Department of Procurement and Properties shall centrally approve standard rates for road transportation services, including light, medium, and heavy vehicles, which shall be applied by all Procuring Agencies during emergencies.
- ii. Earth-moving equipment such as excavators, dozers, rollers, and cranes shall, where feasible, be mobilized from ongoing government projects within the Dzongkhag. Deployment of such equipment shall be recorded and reconciled post-disaster based on agreed contract rates.
- iii. For context-specific transport services, including porters, ponies, rafting services, and similar modes, respective Dzongkhags shall periodically fix standard rates.
- iv. Air services, including helicopter support and drones services shall be coordinated through the Ministerial Cluster procurement Office.

b. Fuel Supply

- i. Central Agencies shall coordinate with fuel suppliers as part of preparedness measures to ensure timely availability of diesel, petrol, kerosene, and LPG during emergencies. Advance arrangements may include framework agreements, indicative price ceilings, and minimum stock holding requirements.
- ii. Measures shall be taken to prevent excessive or unreasonable price increases during emergency periods.

c. Emergency Food, Shelter, and Related Supplies

Procurement may include, but is not limited to:

- Tents and temporary shelter units;

- Tarpaulins and plastic sheeting;
- Bedding and essential household item
- Food items and emergency rations;
- Sanitary and hygiene items;
- Hardware and RWSS items;
- Electrical items
- Any other essential relief items

5. Telecommunications

- a. Ensure and facilitate undisturbed communication during the disaster by all the telecommunications offices by properly liaising with the other relevant stakeholders.

6. Documentation, Audit, and Post-Disaster Review

- a. All emergency procurement activities carried out under this Manual shall be properly documented, including approvals, justifications, supplier selection, pricing, delivery records, and payments.
- b. Emergency procurement shall remain subject to audit and post-disaster review by the relevant authorities. Lessons learned shall be used to improve future preparedness planning, framework contracts, and supplier performance assessments.



SECRETARY

MoF/DPBP/2025-26/466

October 24, 2025

NOTIFICATION

Subject: Restriction on Construction of Community Meeting Halls at Chiwog Level

The Ministry of Finance has observed an increasing number of proposals from Gewogs for the construction of dedicated Community Meeting Halls at the Chiwog level through the Annual Block Grant.

Following a thorough review, the MoF hereby notifies all Local Governments (LGs) that the construction of new meeting halls at the Chiwog level shall not be prioritized from the Annual Block Grant. This measure aims to promote optimal use of existing government infrastructure, such as schools, community centers, Gewog offices, and other public facilities, which can be effectively used for community meetings and gatherings. Constructing separate meeting halls entails significant recurrent and maintenance costs, thereby imposing additional fiscal burdens.

In line with the Government's broader fiscal consolidation and expenditure rationalization measures, limited resources must be allocated to priority and high-impact projects and activities that contribute directly to essential service delivery and local socio-economic development. This policy approach promotes equity in resource allocation and strengthens the long-term financial sustainability of LGs.

Accordingly, LGs are advised to reprioritize the planned activities for FY 2025-26 and ensure strict compliance with this notification while formulating plans and budgets in the subsequent financial years.


(Leki Wangmo)

Copy to:

1. Hon'ble Lyonpo, Ministry of Finance, Thimphu, for kind information
2. Auditor General, RAA, Thimphu
3. Dasho Dzongdags, Dzongkhag Administrations, 20 Dzongkhags.
4. Gups, Gewog Administrations, 205 Gewogs
5. Finance Officers, Dzongkhag Administrations, 20 Dzongkhags.
6. Office copy.

CHAPTER – VII

MANAGEMENT OF GOVERNMENT VEHICLES

7.1. PROCUREMENT OF VEHICLES

- 7.1.1 The acquisition of government vehicles are through:
1. Purchase;
 2. Donations/Gifts.
- 7.1.2. Before initiating acquisition of any vehicles (Electric or Fossil Fuel), either through procurement or assistance received IN - KIND (donation/gifts), explicit clearance of the MoF shall be obtained, irrespective of the type of vehicles, source of financing including donations and gifts. This process shall apply even if provisions for such acquisition are included as part of approved projects/MoUs or agency's annual budget.
- 7.1.3. The MoF shall review and assess the existing fleet position and vehicle deployment pattern of the Budgetary Body before issuing clearance and import authorization.
- 7.1.4 The MoF'S clearance shall include standard models of vehicles suitable for the specific needs/ purpose of the budgetary agencies.
- 7.1.5. Depending on the modality of acquisition, budget provisioning shall be facilitated through annual budget process/ supplementary incorporation/technical adjustment.
- 7.1.6. It shall be the responsibility of the budgetary body to ensure that



the cost of the vehicle shall not exceed the approved budget sanctioned by the MoF.

7.2. REGISTRATION, INSURANCE AND RECORDS

- 7.2.1. All Government vehicles shall be registered and insured in accordance with the provisions of the Road Safety and Transport Authority (RSTA) Act.
- 7.2.2. All the Government vehicle shall be recorded in the GIMS in accordance with this rule.
- 7.2.3. A Vehicle History Book shall be maintained for every Government vehicle.
 - a. The following permanent details of the vehicle shall be recorded in the first page of the Vehicle History Book:
 - i. Registration No.
 - ii. Identification Code generated from GIMS
 - iii. Insurance Policy and Number
 - iv. Manufacturer's Name
 - v. Model Name
 - vi. Chassis No.
 - vii. Engine No.
 - viii. Model Serial No.
 - ix. Extra fittings
 - x. Spare Tools
 - xi. Date of acquisition
 - xii. Cost including Taxes, Duties and Handling Charges
 - xiii. Acquisition Cost
 - b. Details of transfers of the Government vehicle to different agencies/

projects during the lifetime of the vehicle shall be recorded in the Second Page of the History Book and accordingly updated in GIMS.

- c. A detail of all maintenance and repair works including replacement of parts, tyres etc., with their costs shall be recorded in the History Book and accordingly updated in GIMS.

7.2.4. A vehicle Logbook shall be maintained in respect of every Government Vehicle. The following procedures shall be observed in the maintenance of the Vehicle Logbook.

- a. An entry shall be made in the Logbook as and when re-fueled.
- b. Starting and ending Km reading as well as name of stations and the purpose of utilization shall be entered in the Logbook on the movement of the vehicle.
- c. The Transport Officer/relevant official shall verify and sign on the Logbook during fuel refilling.

7.2.5. The document of registration of the vehicle (Registration Certificate), Insurance certificate, Road Worthiness Certificate, Emission test and the Logbook shall be stored properly with the vehicle.

7.3 POOLING OF VEHICLES – GENERAL RULES

7.3.1. Except for designated duty vehicle, all light and heavy vehicles, irrespective of their sources of financing or projects to which those are attached, shall be pooled under the respective Heads of Office. However, for Ministries with larger agencies, the vehicles may be pooled under the respective agencies.



SECRETARY

Annexure V b

དངུལ་རྩིས་ལྷན་ཁག།
Ministry of Finance
Royal Government of Bhutan

BHUTAN
Believe

MoF/DPBP/Rules/2024-2025/1091

February 17, 2025

Notification

Subject: Management and Use of Pool Vehicles

As per the Pay Structure Reform Act of Bhutan 2022, employees at the position levels of Specialist, P1, and below are not entitled to designated vehicles. However, it has come to the notice of the Ministry of Finance that officials who are not entitled to designated vehicles are misusing pool vehicles as designated transport. This practice is a gross misuse of government property and a clear breach of the Pay Structure Reform Act of Bhutan 2022. Such actions not only contravene existing regulations but also reflect a serious violation of the code of conduct expected of responsible officials.

The use of pool vehicles shall strictly adhere to Section 7 of the Property Management Rule 2022, which stipulates the following:

1. Except for designated duty vehicles, all light and heavy vehicles, irrespective of their sources of financing or project affiliations, shall be pooled under the respective Head Office. For ministries with larger agencies, vehicles may be pooled under the respective agencies.
2. When on tour outside the workplace, all pool vehicles shall be parked in designated office parking areas and shall not be parked at the residential compounds of drivers or other officials.
3. All pool vehicles shall be driven only by appointed professional drivers, who must carry their driving licenses while operating the vehicles.
4. In the absence of a driver or during emergencies, the Transport Officer may permit an official with a valid driving license to drive the pool vehicle, but only with prior approval from the Head of the Agency.
5. The use of pool vehicles outside the duty station shall be strictly for official travel authorized by the Head of the Agency/Office.

Please note that vehicles must be used strictly for their intended purpose and only with the necessary approvals. Additionally, they must be parked within office premises during off-office hours, weekends, and holidays, except when required for official tours outside the workplace.

In view of the foregoing, the Ministry of Finance directs the following:

1. All government agencies to immediately withdraw any pool vehicles that have been inappropriately assigned to officials at the position levels of Specialist, P1, and below.
2. All government agencies to strictly enforce the Section 7 of the Property Management Rules, 2022 concerning pool vehicles.



SECRETARY

Heads of agencies and concerned officials will be held accountable for any unauthorized use of pool vehicles under their jurisdiction. The Ministry of Finance will take necessary actions against non-compliance, especially the immediate withdrawal of the misused vehicles and forward the case for further disciplinary action to the Royal Civil Service Commission.

We solicit the kind support and cooperation of all the budgetary agencies in strictly enforcing these regulations to prevent misuse of government resources in the interest of transparency, accountability, and fairness.


(Leki Wangmo)

Copy to:

The Hon'ble Chief Justice of Bhutan, Royal Court of Justice, Thimphu.

Head of Constitutional Bodies, Thimphu.

The Chairperson, Royal Civil Service Commission with special attention to the potential breach of code of conduct by civil servants.

Cabinet Secretary, Cabinet Secretariat, Thimphu.

Secretaries of All Ministries, Thimphu.

Head of Autonomous Agencies/Dzongdags/Thrompons & Gups.

Annexure VI

ICT Guideline (Laptop and Desktop) 2025



Department of Procurement and Properties

Ministry of Finance

2025


Foreword

The rapid advancements in Information and Communication Technology (ICT) have significantly transformed government operations. Efficient and effective ICT utilization is crucial for the successful implementation of policies and programs. The government has prioritized procurement and management, acknowledging the indispensable role of computers in enhancing the productivity of civil and public servants and ensuring the delivery of quality services to citizens.

As the government's focal agency for procurement, the Ministry of Finance has developed this guideline to provide a standardized approach for budgetary bodies to acquire laptops and desktops. This guideline reflects the ministry's commitment to promoting transparency, accountability, and efficiency in the procurement process.

The provisions outlined in this guideline are designed to ensure that budgetary bodies acquire suitable, genuine computer equipment that meets their operational needs while promoting cost-efficiency and responsible asset management. By adhering to these procedures, agencies will contribute to the optimal utilization of public resources, fostering a more effective and transparent procurement system.

For any queries, clarification, or interpretation of this document, please contact: the Central Procurement and Property Management Division, Department of Procurement and Properties, Ministry of Finance. Contact: Call us at 02-324151 or email at cppmd@mof.gov.bt



(Lekey Dorji)
Finance Minister

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Chapter 1

General

Title

1. This guideline shall be called the “ ICT Guideline (Laptop and Desktop) 2025”.

Commencement

2. This Guideline shall come into force on April 1, 2025.

Objective

3. The primary objective of this Guideline is to establish a standardized procedure for budgetary agencies to procure computers. This Guideline aims to ensure the economy, efficiency, transparency, accountability, and optimal utilization of public resources to acquire computer equipment.

Scope

4. This Guideline shall apply to all government agencies, including the armed forces within the Government of Bhutan for the purchase of computers from the vendor identified by the Ministry of Finance.

Repeal

5. This Guideline will repeal the ICT Guideline 2024 and any other related notifications or circulars issued before this Guideline.

Definitions

6. For this guideline, the following definitions shall apply:

I. **Agency:** All government agencies including armed forces.

II. **Procurement:** The process of acquiring laptops and desktops by government agencies from the supplier.

III.. **Supplier:** The authorized seller of laptops and desktops to government agencies.

IV. **Useful Life** is the period during which a device is expected to remain functional. It starts on the purchase or invoice date.

V. **Computers:** It will refer to both desktops and laptops.

VI. **Budgetary bodies:** These include Ministries, Constitutional Bodies, Autonomous Agencies, Dzongkhags, Thromdes and Gewogs.

Chapter 2

Laptop Categorization and Approval Process

Laptop Category

7. Computers are categorized into three distinct categories to meet the varying needs of staff within the organization:

Sl. No.	Category	Device	Device Allocation
1	Essential	Windows (Business Standard Laptops)	Supervisory & Support Group
2	Professional	MacBook Air	Professional & Management Group
3	Technical	MacBook Pro	Technical Group
4	Special Requirements	Windows (Laptop/Desktop)	Technical group/educational institutions/others

Special Requirements

8. If budgetary bodies require laptops or desktops beyond the specifications and models included in centralized procurement, they must seek technical specification approval from the Government Technology Agency (GovTech).
9. The budgetary bodies must initiate the procurement process in compliance with Procurement Rules and Regulations.
10. To ensure the purchase of genuine computers, budgetary agencies must procure them from vendors with valid OEM (Original Equipment Manufacturer) and MAF (Manufacturer Authorization Form) certifications from the manufacturers.
11. GovTech will conduct the quality check for special requirements. Budgetary bodies must coordinate with GovTech to ensure quality.

Chapter 3

Ordering, Pricing and Collection

Ordering Process

12. All budgetary bodies shall submit their requisitions to DPP by the 20th of each month. The delivery period will begin on the date DPP issues the purchase order to the Supplier.

Pricing Details

13. According to clause 7, the DPP shall provide pricing details for laptops and desktops to all budgetary bodies.
14. The pricing Detail shall also contain the following information:
 - i. Contact of the focal point of the supplier;
 - ii. Duration and mode of payment;
 - iii. Mode of delivery;
 - iv. Warranty period;
 - v. Inclusion of freebies, if any
 - vi. Liquidated damages to be imposed in case of delay; and
 - vii. And any other required information.
15. The Budgetary bodies shall be informed of any revision or changes in prices and specifications.

Collection

16. If budgetary bodies choose to collect the computers themselves, they must do so within 10 days from the date DPP issues the collection notice.
17. If budgetary bodies choose to use the supplier's delivery service, they shall bear the postal charges. The claim must be supported by a receipt issued by Bhutan Post.

Chapter 4

Warranty, Quality Assurance, and Asset Management

Warranty

18. All computers purchased from the supplier will be covered by a warranty. This warranty includes manufacturing defects and hardware issues but excludes damages resulting from misuse, accidents, or unauthorized repairs.
19. Budgetary bodies must coordinate directly with suppliers for warranty claims during the warranty period and share the details with the DPP.
20. The expenditure for repair and maintenance resulting from the negligence of the official shall not be covered by the warranty.

Quality Assurance

21. Upon receiving the computers, GovTech will conduct the quality check and the budgetary bodies will be issued collection notices.

Inventory

22. The computers shall be entered into the Government Inventory Management System (GIMS) before being processed for bill settlement. This will ensure accurate tracking of the devices, including information on the cost, assigned user, location, and computer status.

Chapter 5

Useful Life, Transfer, and Exit Protocols

Useful Life of Computer

23. The following shall be the useful life of the computers:

MacBook	7 years
Windows Computer	5 years

24. Upon expiry of the useful life, ownership of the computer will be transferred to the user at zero value after completing the process in GIMS.

Transfer of Computer

25. When an employee is transferred to another agency, the computer must be transferred, completing the process in GIMS.

Separation from Office

26. When an employee separates from service before the computer reaches its useful life, they may either purchase the computer at its depreciated value or return it to the office after completing the process in GIMS.

27. When the employee is on Extraordinary Leave (EOL), they may either purchase a computer at its depreciated value or return to the office after completing the process in GIMS.

Issuance of New Computer

28. Upon a computer reaching the end of its life, the employee shall be eligible for a new computer. However, the budgetary bodies must plan for the number of replacements and allocate the budget accordingly.

29. Computers under the custodian of the Agency (e.g.: IT labs) will remain in use until they are no longer functional. Once it is no longer functional, the computer has to be surrendered and disposed of as per the Property Management Rule (PMR) 2022.

30. The following conditions shall be applied to the computers purchased before the centralised procurement for laptops and desktops:
- Transfer of ownership at the end of life
 - On separation and EOL.

Special Cases for Issuance of New Computer

31. If a computer is damaged or malfunctions due to unforeseen or uncontrollable circumstances, a new computer may be issued regardless of its remaining useful life. The damaged or malfunctioning computer must be surrendered to the office and undergo the disposal process in accordance with the Property Management Rules 2022.
32. A team of relevant personnel shall be formed to verify the claims, assess the situation, and determine whether to provide new devices.
33. If the damage is determined to be caused by the negligence of an individual, the repair, maintenance, and replacement costs will be borne by an individual.
34. If the damage is deemed to be due to natural factors beyond the individual's control and not covered by the warranty, the repair, maintenance, and replacement costs will be covered by the respective agency.

Depreciation

35. The depreciated value of a device at the time of separation from service will be determined using the diminishing balance method with a depreciation rate of 30% per annum.
36. The focal officer will review and approve the depreciated value of computers following this guideline.
37. The depreciated value will be deposited into the Government Revenue Account.
38. The formula to calculate the depreciated value: $\text{Original Value} \times (1 - \text{DP}\%)^{\text{number of years used}}$.

Chapter 6

Responsibilities

Responsibilities of all Budgetary Agencies

38. In addition to the responsibilities mentioned in this Guideline, the following shall be the roles and responsibilities of budgetary bodies:
- I. Conduct thorough inspections upon receipt and promptly report defects or discrepancies;
 - II. Upon receipt of valid invoices and product inspections, ensure timely payments within the specified timeframe. In case of payment delays, the budgetary bodies will be responsible and liable for any late payment penalties;
 - III. Assume ownership and risk of products after inspection and approval;
 - IV. Enforce liquidated damages if the supplier fails to meet delivery deadlines;
 - V. Notify DPP of any defects within the warranty period and request timely repairs or replacements;

Chapter 7

Compliance, Feedback, and Review

Feedback Mechanism

39. Budgetary bodies are encouraged to report any issues or provide feedback to the DPP regarding the purchase process, and device performance, on implementing this guideline for future improvements.

Compliance and Monitoring

40. Budgetary bodies are responsible for ensuring compliance with this guideline and maintaining records of all purchases, transfers, and disposals as per the PMR 2022.

Interpretation and Amendments

41. The final interpretation of this guideline shall be vested with the DPP.
42. The DPP may amend, supplement, or otherwise revise this guideline as and when needed.

Form-1 (Special approval request form)

The.....

Govtech Agency

Thimphu.

Sl.No.	Type of items	Quantity	Detailed Specifications	Remarks

Submitted by:

Procurement Officer

Name of agency

Form-2 Repair and maintenance / Replacement are covered under the warranty period

(Name of the supplier)

Thimphu.

SN.	Item type	Specify issues	Repair/ Replacement	Remarks

Requested by:

(Name and designation of concerned officer)

Verified and vetted by:

Procurement Officer

Verified and vetted by:

ICT officer

Verified by:

Head of agency

Form-3 Computer Retention or Return: Separation from Office

The Head of the Agency

Section	Details
1. Employee Details	
Name	
Designation	
Date of Separation	
2. Device Details	
Device Type (Laptop/Desktop)	
Brand & Model	
Serial Number	
Date of Issuance/Purchase	
Original Cost	
Depreciated Value	
3. Employee's Decision	(<input checked="" type="checkbox"/> Check one option)
Option 1: Purchase	<input type="checkbox"/> I choose to purchase the device at its depreciated value.
Option 2: Return	<input type="checkbox"/> I choose to return the device to the office.

Submitted by:

Verified by:

Approved by:

Form-4 Computer Ownership Transfer Form (Upon Expiry of Useful Life)

The Head of the Agency

Section	Details
1. Employee Details	
Name	
Employee ID	
Designation	
2. Device Details	
Device Type (Laptop/Desktop)	
Asset identification code	
Brand & Model	
Serial Number	
Date of Issuance/Purchase	
Original Cost	

Submitted by:

Verified by:

Approved by:

Annexure VII



དཔལ་ལྷན་འབྲུག་གཞུང་།
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RCSC/HRD-C3/2024/1342

08-Oct-2024

Hon'ble Secretary
Ministry of Finance
Thimphu

Subject: Guideline on Programs Related to Human Resource Development (HRD) and Budget Approval Process between the Royal Civil Service Commission (RCSC) and the Ministry of Finance (MoF)

Dasho,

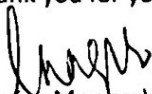
At the outset, the RCSC would like to extend our appreciation to the Ministry of Finance (MoF) for the Ministry's kind cooperation and support during the consultation process for the aforementioned subject.

We are pleased to inform you that both MoF and RCSC have agreed to the revised SOP, now titled *Guideline on Programs Related to HRD and Budget Approval Process between the RCSC and MoF*. This document serves as a collaborative framework for the planning, development, and approval of HRD programs and related fund allocations. The guideline was approved during the 20th Commission meeting held on 04-Oct-2024, and a copy is attached for your reference.

We kindly seek your cooperation for the successful and effective implementation of this framework. Additionally, we would like to highlight the following points:

1. The MoF is requested to incorporate key points from the guidelines into the budget call notification.
2. These guidelines will be subjected to periodica review by the two agencies.

Thank you for your continued cooperation and support.


(Louise Monger)

Offg. Director General

Copy to

1. Director, DPBP, MoF for necessary action
2. Director, DMDF, MoF for necessary action

Post Box No. 163. Telephone: PABX: 00975-2-322491, 322956, 322954 & Fax No. 323086, 325980.
www.rcsc.gov.bt



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3. Focal Officers, DPBP/D MDF, MoF for necessary action
4. Chief HRO, MoF for information and necessary action
5. Office copy

Post Box No. 163. Telephone: PABX: 00975-2-322491, 322956, 322954 & Fax No. 323086, 325980.
www.rcsc.gov.bt



Guideline on programs related to Human Resource Development and Budget Approval Process between the Royal Civil Service Commission (RCSC) and the Ministry of Finance (MoF)

The **Standard Operating Procedure (SOP)** for Human Resource Development (HRD) was revised and approved for implementation following the transformative exercise endorsed during the commission meeting held on 26-Oct-2024. This SOP is a collaborative framework for the planning, development, and approval of Human Resource Development (HRD) programs and related fund allocations.

Objectives

The purpose of this SOP is to:

1. Streamline and optimize HRD investments across all government agencies.
2. Align Agency HRD needs and proposals within the overall Strategic HRD of the Civil Service.
3. Establish a framework for coordination between RCSC and MoF in the planning, development, and implementation of HRD programs.

Application

This SOP applies to:

1. The review, assessment, and endorsement of all HRD plans and projects proposed by agencies, irrespective of the funding source.
2. Review, assessment and endorsement of the Annual Work Plan (AWP) and the Program Budget of all Development Partners.
3. It governs the submission of critical HRD plans and priorities for the Fiscal Year in accordance with the budgetary procedures established by MoF.

RCSC Responsibilities

1. Coordinate with MoF on an annual basis to review HRD spending under external/ project financing, RGoB financing, and approved budgets for HRD in the Five Year Plan (FYP).
2. Participate in the project formulation and preparation of AWP for UN agencies or development partners involving HRD components.

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3. Ensure alignment of all HRD initiatives with the Competency-Based Framework (CBF) and expedite the development of CBF for professions where it is not yet established.
4. Review and endorse all HRD project proposals submitted by agencies, irrespective of funding sources.
5. Coordinate with MoF during annual work plan and Budget call notification for prioritizing critical HRD Components (*Annual Priority Exercise*)

MoF Responsibilities:

1. Incorporate key points from this SOP into the Budget Call notification and Annual Grants Guideline for Local Governments (LGs).
2. Identify HRD components within project proposals submitted by budgetary agencies and forward them to RCSC for review and endorsement.
3. Finalize and share the signed project documents with RCSC for monitoring HRD components.
4. Recommend budget allocations based on RCSC's endorsement and available resources.

1. SOP for New Projects:

New Projects refer to new initiatives or tasks that require project agreements with different development partners for resource mobilization under External Funding.

Step 1: Budgetary agencies submit the Project Proposals to DMDF, MoF.

Step 2: DMDF, MoF forward/submit HRD Components of the proposal to RCSC for review and endorsement.

Step 3: RCSC reviews and provides recommendations to the budgetary agencies with a copy to MoF.

Step 4: Endorsed/Approved Proposal submitted to MoF for the signing of the agreement.

Step 5: DMDF shares the signed project documents with RCSC for HRD monitoring.

2. SOP for Signing of AWP/Program Budget with Development Partners (DP) and Donors:

The AWP (Annual Work Plan) is a detailed document outlining the activities, timelines, and resources required for the successful execution of a development project within a specific year. A Program Budget for Development Partners (DPs) and Donors refers to the financial allocation set aside to support specific programs or initiatives.



Step 1: During the meetings with DPs and agencies, DMDF, MoF engages RCSC for review of proposal encompassing HRD components.

consultation

Step 2: RCSC reviews and informs DMDF, MoF of the decision.

Step 3: DMDF, MoF shares a copy of the signed AWP/Plan Budget with DPBP for budget allocation and RCSC for HRD monitoring.

3. SOP for endorsement/approval of All HRD proposals in the budget including Ad-hoc:

HRD proposals refer to all components of STT identified under section 7.3.2 of BCSR 2023 with exception to the negative HRD list (Annexure 1) identified in the SOP.

Ad-hoc proposals refer to new HRD proposals that require additional budget or re-appropriation under approved budget under RGoB and supplementary incorporation of budget under External funding

A. Annual HRD proposal

Step 1: Budgetary agencies submit the HRD Proposals to RCSC prior to preparation of the AWP and annual budget proposal.

Step 2: RCSC reviews and provides recommendations to the budgetary agencies with a copy to DPBP within the deadline set by RCSC.

Step 4: Agencies to submit the RCSC approved HRD Proposals in their AWP and budget proposal for subsequent FY.

Step 5: DPBP to review and include the HRD proposals in the Agency's annual budget, based on available resources and submit them to the Parliament as part of Budget Appropriation Bill.

Step 6: Once approved by the Parliament, the DPBP will share a list of approved HRD proposals to RCSC for monitoring.

B. Ad-Hoc HRD Proposal

Step 1: Budgetary agencies submit budget HRD proposals to RCSC for review and endorsement, that was not included in the annual prioritization exercise.

Step 2: RCSC reviews the proposal and conveys the decision to the respective agency with a copy to DMDF/DPBP, MoF within 7 working days, subject to submission of all relevant documents.

Step 3: Agencies process additional budget or supplementary incorporation with DPBP, MoF once endorsed by RCSC during the FY.

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4. SOP for Local
(LGs):

Government

Step 1: MoF notifies LGs (Dzongkhags, Gewogs, and Thromdes) that RCSC approval is required for HRD programs under annual RGoB grants and external funds.

Step 2: LGs submit HRD proposals to RCSC through the Dzongkhag/Thromde HR section.

Step 3: RCSC reviews and conveys decisions to LGs for implementation with a copy to MoF.

Step 4: The LGs will allocate budget within their approved block grants for RCSC approved HRD activities



Annexure 1: List of

Travel

Components where RCSC endorsement/approval is not required:

A. Ex-country Inspection/ Procurement visit:

This encompasses a visit requiring major inspection and procurement of goods guided by PRR 2023.

B. Ex-country Forum/ Meetings/ Negotiations for conventions/International representation:

To represent by way of board members, mandatory negotiations, conventions, forums and meetings originating due to Bhutan's Signatory Membership to Multilateral, Bilateral and Regional Conventions & Associations. This will be guided by the agencies' STT rules and regulations. (This type of ex-country travels are considered as STT and has obligations as per BCSR 2023).

Note: Programs which do not fall under the above categories have to be submitted to the RCSC for approval.

Annexure VIII



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MINISTRY OF FINANCE
DEPARTMENT OF TREASURY & ACCOUNTS



DTA/PMSD/2022-23/66

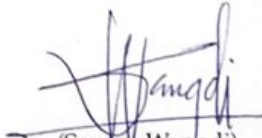
March 20, 2023

Notification

Sub: e-PEMS Enhancement | Work Charge Sub Code Introduction

The Department of Treasury & Accounts (DTA) in close coordination with the Department of Planning, Budget and Performance (DPBP) is pleased to introduce the Work charge Sub Code as a means to record the work charge expenditure in e-PEMS and MYRB. Accounts personnel in the budgetary bodies while accounting the transaction for a work charge activity shall update the sub code expenditures in e-PEMS. Budgetary Bodies are reminded that not all activities can be work charged and with the introduction of the sub codes, work charge expenditures are to be reported according to the sub code classification of expenditure.

A copy of e-PEMS user guide for the sub code recording is attached for necessary action & compliance.


(Sonam Wangdi)
Offtg. Director

Copy;

1. Hon'ble Finance Secretary for kind information
2. All Heads Budgetary Bodies for kind information
3. Director, Department of Planning, Budget and Performance for kind information
4. All Finance Personnel for necessary action

Post Box 270, Thimphu, BHUTAN. PABX: 322604/322951
e-PEMS Client Support (Extension): 141,145,146 & 147 Direct Line: 321799 /334994
Email: epems.support@mof.gov.bt Website: www.mof.gov.bt

e-PEMS User Guide for Work Charged Sub Code Classification

The Work Charge concept is to ascertain the true/overall cost of the project/activity where any overhead and associated cost both current and capital shall be charged to the activity irrespective of source of funding. This may be salaries, wages, travel cost, operating expenses etc... in addition to the actual cost of the activity like construction of the road / building. The accounts personnel are reminded of the following;

1. Capital Object Codes which are permitted to be work charged are mentioned below;

- 45.01 Training - HRD
- 45.02 Training - Others
- 51.01 Exp. on Structure - Buildings
- 51.02 Exp. on Structure - Roads
- 51.03 Exp. on Structure - Bridges
- 51.04 Exp. on Structure - Irrigation
- 51.05 Exp. on Structure - Drainage
- 51.06 Exp. on Structure - Water Supply
- 51.07 Exp. on Structure - Plantation
- 51.08 Exp. on Structure - Others
- 55.01 Professional Services
- 57.01 System Development
- 9e | 95.01 Deposit Work Payment

or any other capital object codes that are permitted by MoF from time to time.

2. All Recurrent Object Codes are restricted for work charge expenditures.
3. Capital Object Codes which are restricted to be work charged are mentioned below;

- 41.01 Acquisition of Immobile Property - Land
- 41.02 Acquisition of Immobile Property - Buildings
- 52.01 Plant & Equipt. - Roads
- 52.02 Plant & Equipt. - Power Generation
- 52.03 Plant & Equipt. - Power Trans. & Distribution
- 52.04 Plant & Equipt. - Telecommunications

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- 52.05 Plant & Equipt. - Agricultural Machinery
 - 52.06 Plant & Equipt. - Livestock
 - 52.07 Plant & Equipt. - General Tools
 - 53.01 Purchase of Vehicles
 - 54.01 Furniture
 - 54.02 Office Equipment
 - 54.03 Computers and Peripherals
 - 56.01 General Provisions
 - 61.01 Capital Grants - Individuals / NPO
 - 61.02 Capital Grants - Sungchop
 - 61.03 Capital Grants - Revolving Funds
 - 62.01 Capital Grants - Financial Institutions
 - 62.02 Capital Grants - Non Financial Institutions
 - 63.01 Acquisition of Equities / Shares

4. Work charges Sub-Codes that are classified as sub expenditures of the capital object codes are;

01.00 Pay, allowances and Benefits

- 01.01 Pay, allowances and Benefits : Salary & wages*
- 01.02 Pay, allowances and Benefits : Wage(Muster Roll)*
- 01.03 Pay, allowances and Benefits : Honorarium (Subject to approval of MoF)*
- 01.04 Pay, allowances and Benefits : PF and Pension*
- 01.05 Pay, allowances and Benefits : Post retirement Benefits*

02.00 Stipend

- 02.01 Stipend: In country*
- 02.02 Stipend: Outside Bhutan*

03.00 Travel In Country

- 03.00 Travel In Country*
- 03.01 Travel In Country : DA*
- 03.02 Travel In Country: Mileage*
- 03.03 Travel In Country: TA (Bus fare/taxi/non-motorable)*
- 03.04 Travel in country: Accommodation*

04.00 Travel Outside Bhutan

- 04.00 *Travel Outside Bhutan*
- 04.01 *Travel Outside Bhutan : DSA*
- 04.02 *Travel Outside Bhutan : Airfare*
- 04.03 *Travel Outside Bhutan : Visa Fees*
- 04.04 *Travel Outside: Accommodation*

05.00 Utilities

- 05.01 *Utilities: Telephone*
- 05.02 *Utilities: Internet*
- 05.03 *Utilities: Water*
- 05.04 *Utilities: Electricity*

06.00 Rental of Properties

- 06.01 *Rental of properties: vehicles*
- 06.02 *-do- : equipment*
- 06.03 *-do- : building*
- 06.04 *-do- : land*

07.00 Supplies and materials

- 07.01 *S&M: Stationeries*
- 07.02 *S&M: Printing and Publications*
- 07.03 *S&M: Medicines and Laboratory Consumables*
- 07.04 *S&M: Fertilizers, Chemicals, Manures and Inoculants*
- 07.05 *S&M- Seeds and Seedlings*
- 07.06 *S&M- Animal Feeds*

08.00 S&M - Uniforms and Extensions Kits

- 08.01 *S&M- Uniforms/safety gears*
- 08.02 *S&M- Extensions kits (Camping equipment including hiking boots, tents, sleeping bags, mats, rucksacks).*

09.00 Maintenance of Properties

- 09.01 *MoP: Building*
- 09.02 *Maintenance of Vehicles- Fuel (pool vehicles)*
- 09.03 *Maintenance of vehicles : repairs (pool vehicles)*
- 09.04 *Maintenance of vehicles : procurement of tyres(pool vehicles)*

09.05 Maintenance of Properties-Fuel & repairs of Specialized Vehicles (Trucks, roller, excavators, backhoe, tractors etc)

09.06 Maintenance of Property: Office Equipment

10.00 Op. Expenses

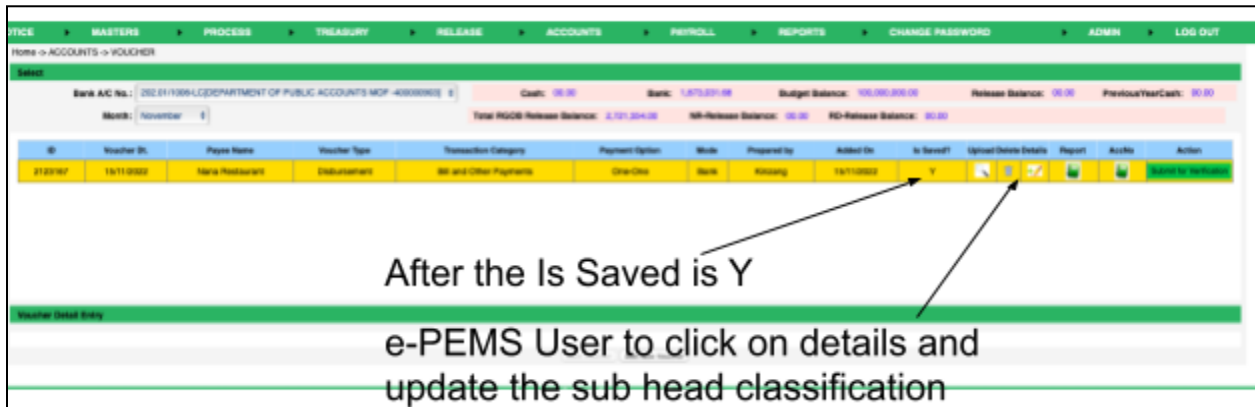
10.01 Op. Expenses: Advertisement

10.02 Op. Expenses: Meals and refreshment for meetings and celebrations

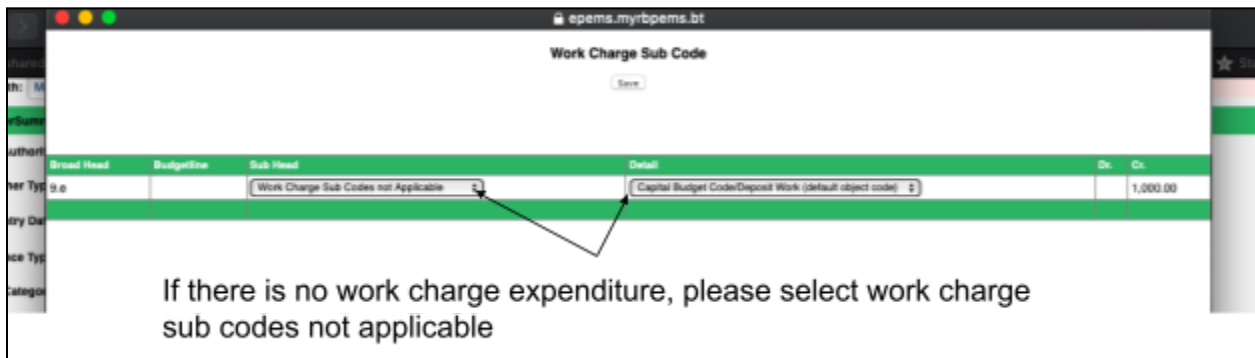
10.03 Op. Expenses: Taxes, duties, royalties, bank charges

10.04 Op. Expenses: Software License & renewals

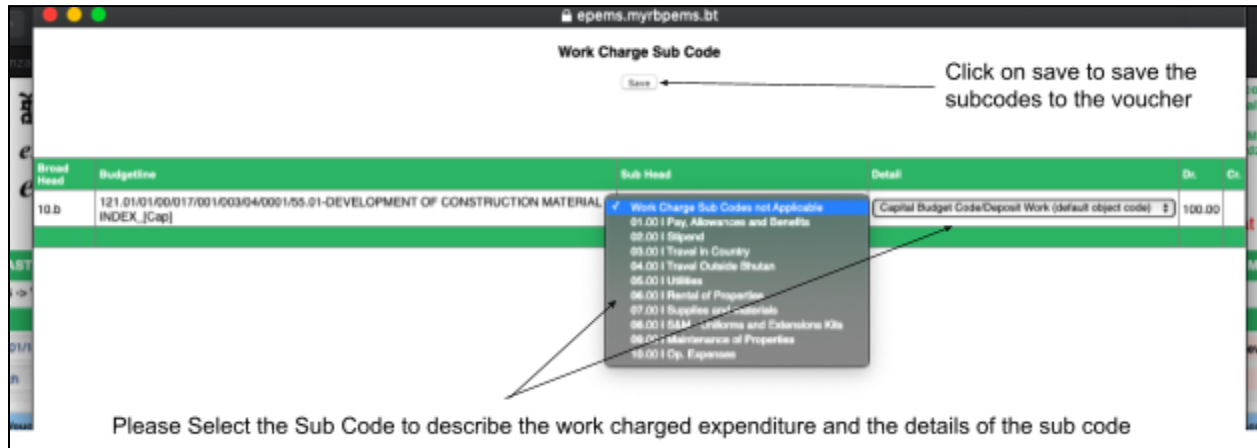
5. All processes that are in practice for recording an accounting transaction shall be as normal as until now. After a voucher has been saved, by clicking the details button of the voucher, a user shall be able to update the sub code expenditures.



6. The sub code application window will be displayed to update the sub expenditure however if there is no expenditure to be work charged, the amount that is passed for recording of an expenditure is the actual capital expenditure, then please use the sub head title “Work charge sub codes not applicable” and accordingly save & close the window.



7. If there is sub code expenditure to be updated as the work charged expenditure against the capital or deposit work head, please select the correct sub head and the sub code details accordingly to the bills / claims accepted by the office. And Click on save to save the sub code details to the vouchers.



8. Any e-PEMS issue related to sub code expenditure, please contact PMSD Client Support through issue log.



ANNUAL GRANT GUIDELINES FOR LOCAL GOVERNMENTS

July 2024
Ministry of Finance
Royal Government of Bhutan

Ref

01.Introduction: Based on the provisions of the Constitution of the Kingdom of Bhutan, the 10th Session of the Lhengye Zhungtshog approved the allocation of the annual budget to Gewogs in the form of Annual Grants starting from the Financial Year (FY) 2019-20. Subsequently, the 3rd Session of the Third Parliament enacted the Budget Appropriation Act for FY 2020-21, extending the Annual Grants to Dzongkhags and Thromdes.

Further, the 15th and 16th Sessions of the Fourth Lhengye Zhungtshog held on May 30 and June 6, 2024, approved the 13th Five-Year Plan including the allocation of Annual Grants to the Local Governments.

The objectives of allocating the Annual Grants are to:

- a. Enable LGs to allocate funds to priority local development needs that are within their mandates and are consistent with the National Priorities;
- b. Enhance the ability of local governments to swiftly and effectively respond to emerging community needs including disaster;
- c. Promote fiscal prudence and effective prioritization;
- d. Encourage LGs to involve community members in decision-making processes and ensure that diverse voices are represented;
- e. Enhance citizen-centric local development, growth, and service delivery;
- f. Promote transparency, accountability, and ownership;
- g. Improve LG capacities and systems for the provision of quality services.

Thus, to ensure proper utilization of the Annual Grants, the Ministry of Finance (MoF) hereby issues the Annual Grants Guidelines 2024 for the Local Governments.

02.Definition & Application: The Annual Grant is a portion of national resources allocated to LGs for public service delivery and executing planned programs and activities. The Annual Grants are provided as block grants and are a part of the Annual Budget Appropriation Act.

The Revised Annual Grants Guidelines 2024 shall apply to all the LGs allocated with Annual Grants and come into effect from 1st July 2024.

03.Composition of annual grants: The annual grants to LGs shall consist of:

- a. **Current Grant:** The Current Grant is an amount of budget allocated to LGs for regular operation and maintenance of the LG Administrations. The amount of the Current Grant shall be based on actual rates/pay scale, past trends, and the resource envelope determined by the Macro-economic Framework Coordination Committee (MFCC). The Current Grant shall be categorized as 'Mandatory' and 'Controllable' expenditures.

- i. The '**Mandatory**' expenditures shall include expenses for pay and allowances, provident funds, other personal emoluments, special allowances, stipends, and other benefits.
 - ii. The '**Controllable**' expenditures shall include expenses for travel, utilities, rental of properties, supplies and materials, maintenance of properties, operating expenses, and hospitality & entertainment;
- b. Capital Grant:** Capital Grant is an amount of budget allocated to LGs based on the Resource Allocation Formula for implementing activities of the approved Five-Year Plan.

04. Usage of Annual Grants

- a. Current Grants:** The Current Grant shall meet expenses defined under Mandatory and Controllable Expenses.
- i. Expenses such as property tax, patient diet, textbooks for schools, or any recurrent expenses with statutory and contractual obligations shall be accorded priority while apportioning the controllable budget.
 - ii. The budget for Hospitality & Entertainment shall be apportioned from the controllable block allocation within the H&E ceiling as below:

Nu. in million

Sl. No.	LG Category	Amount	Reference
1	Dzongkhag	0.150	DPBP/Div/SG/2022-23/946 dated June 26, 2023
2	Drungkhag	0.030	Appendix 1 of the FMM, FRR 2016.
3	Gewog	0.020	Limit as per the Guidelines for the Operation of Govt. CD accounts Jan 2024,
4	Thrompon/Thromde*	0.080	Appendix 1 of the FMM, FRR 2016

**To be apportioned from the internal revenue of the respective Thromdes*

- b. Capital Grant:** The Capital Block Grants shall be utilized for implementing activities contributing towards the achievement of the following Local Government Key Result Areas (LGKRA) and overall national priorities:

LGKRA 1: By 2029, Dzongkhag, Gewogs, and Thromdes have a vibrant local economy with enhanced productivity and diversified local products;

LGKRA 2: By 2029, more children/youths have access and benefit from quality education and skills development;

LGKRA 3: By 2029, more residents of the Dzongkhags, Gewogs, and Thromdes enjoy improved health and well-being;

LGKRA 4: By 2029, Dzongkhag, Gewogs, and Thromdes have proactive social protection and support measures;

LGKRA 5: Safety and disaster risks in Dzongkhag, Gewogs, and Thromdes are mitigated and managed at all times;

LGKRA 6: National identity, culture, and values are strengthened among the members of the local communities;

LGKRA 7: Dzongkhags and Thromdes offer public services that are citizen-centric and delivered seamlessly in an efficient and effective manner.

- i. In view of competing priorities, those projects/activities with economic/social returns must be accorded the highest priority;
- ii. Ensure that any infrastructure development caters to the majority of the beneficiaries at the LGs and that proper cost-benefit analysis is carried out;
- iii. Any financing for disaster-related activities for restoration and reconstruction in LGs must be prioritized and provisioned from the annual capital block grant;
- iv. The total expenditure shall not exceed the maximum Annual Grants allocated for the financial year unless supplementary incorporations are made by the Government following the due process during the FY;
- v. Ensure strict compliance with the Notifications issued by:
 1. Ministry of Home Affairs vide notification no. CHAA/PPD(37)/2023/430 dated November 13, 2023.
 2. MoF Budget Notifications issued on July 16, 2024 vide notification no. MoF/Budget Notification/2024-25/24
 3. MoF Notifications/circulars that may be issued from time to time;

vi. For optimal and efficient utilization of the capital block grant, the following conditions shall strictly apply for implementation by the **Gewogs**:

1. The annual total expenditure on Furniture (OBC 54.01), Office Equipment (OBC 54.02), Computers and Peripherals (OBC 54.03), Chadri Items (OBC 52.08) including administrative infrastructure (renovation/maintenance of office buildings including gates and compound walls) in the Gewog shall not exceed Nu. 0.200 million per annum;
2. The Gewogs may implement multiple small activities critical for the community within the total budget limit of Nu. 0.300 million per annum.
3. Any budget requirement that arises due to policy changes and emerging priorities shall be met from the annual block grant;
4. Any investment in farm roads (construction/restoration/maintenance) must be implemented as per the Guidelines for Farm Road Development Revision 2019 and revisions thereof.
5. Depending on the need but not to exceed 10% of the annual grant may be used for activities related to the preservation and promotion of cultural and religious heritages and in compliance with Ministry of Home Affairs notification no. CHAA/ PPD(37)/2023/430 dated November 13, 2023.

05. Prohibitions under Annual Grants: Irrespective of the type of grants (current/capital), the Annual Grants shall not be used for the following, but not limited to:

- a. Ex-country training and travel abroad;
- b. Operation and maintenance of vehicles except under a controllable budget;
- c. Political campaigns;
- d. Donations, contributions, and gifts to individuals or organizations;
- e. Private/personal purposes like giving contributions, donations, Semso, gifts, etc.
- f. Investment in financial assets such as shares, interest-bearing deposits, and deposits in extra-budgetary accounts;
- g. Undertake programs/activities that contravene the existing Government policies;

- h. Procurement of vehicles, including heavy machines such as Excavators, Dozers, etc.
- i. Private goods such as Supply/Distribution of free handouts (RNR inputs, household items, CGI sheets, geysers, footpaths leading to individual households, etc.)
- j. Construction/maintenance of archery/khuru bacho etc.

Note: Capital block grant/mandatory allocation shall not be re-appropriated for any controllable expenses.

06. Budget, Release, and Accounting

6.1 Budget Process

6.1.1 During the budget formulation phase, the LGs shall submit the KPIs and targets for the new FY aligned to the 13th FYP LGKRA. These indicators and targets shall form part of the criteria for assessing the performance of the LGs.

6.1.2 The Annual Grants shall be provided as Current Grants and Capital Grants through the Multi-Year Rolling Budget (MYRB) System.

6.1.3 Upon approval of the annual grant for the FY, the Dzongkhag/Thromde Finance Committee and Gewog Administration shall;

- a. Apportion the Annual Grants to the planned activities/programs and submit them to Dzongkhag Tshogdu (DT), Thromde Tshogde (TT), and Gewog Tshogde (GT) for approval;
- b. Finalization of capital activities to be implemented during the FY must be only upon completion of pre-requisite formalities such as surveys, drawings, designs, estimates, clearances, etc.
- c. Ensure that planning/budgeting of activities to be implemented during the FY must be finalized, apportioned, and incorporated in the MYRB System within the end of the second quarter except for disaster-related activities;
- d. Ensure that any re-appropriation must be as per Financial Rules and Regulations, 2016.

6.1.4 There shall be a Maker and Checker for the assignment of activities in the MYRB system to be carried out as per the user manual issued by the Department of Planning, Budget, and Performance (DPBP).

6.1.5 Any unspent Annual Grants shall lapse at the end of the financial year.

6.1.6 The LGs shall use MYRB and the electronic Public Expenditure Management System (e-PEMS) for budgeting and accounting purposes.

6.2 Release of Fund and Accounting

6.2.1 The LGs shall assign prioritized activities to respective LC/PLCs and submit the Budget Release Forecast (BRF) as per the implementation plan and under the Fund Release Guidelines,

6.2.2 Fund releases shall be strictly based on the apportionment of the budget as per section 4.b.(v) and booking of expenditures including advances shall be effected through e-PEMS.

6.2.3 The Annual Grants shall be utilized as per the Financial and Procurement Rules and Regulations, and other notifications issued by MoF from time to time.

6.2.4 The competent authority for approval of the expenditures in e-PEMS shall be based on the delegation of financial authority as per the Financial Rules and Regulations 2016.

07. Responsibility, Accountability, and Transparency

7.1 The LGs shall be responsible for the proper utilization of the Annual Grants for prioritized activities.

7.2 The LGs shall institute proper monitoring of the activities and maintain proper asset inventory through the Government Inventory Management System (GIMS).

7.3 To ensure transparency, the Member Secretary (Head of Finance Section) of the Finance Committee in the case of Dzongkhags and Thromdes and Gewog Administrative Officer of Gewogs shall provide periodic updates on budget and expenditure for activities approved by the DT/TT/GT along with the dissemination of any budget-related information to the LGs.

7.4 The Chairperson of the Finance Committee/Head of the Gewog Administration shall be responsible and accountable for compliance with the financial and procurement rules and regulations of the Government.

08. Oversight Bodies

8.1 The Ministry of Finance shall be responsible for reviewing and monitoring the progress and financial performance of the Annual Grants.

8.2 The Royal Audit Authority shall conduct the audit of the Annual Grants in accordance with the Audit Act of Bhutan.

8.3 The Anti-Corruption Commission shall review and investigate complaints related to the Annual Grants in accordance with the Anti-Corruption Act of Bhutan.

09. Amendments and Interpretation

9.1 This guideline shall supersede Guidelines for Gewog Annual Grants 2019 and Annual Grants Guidelines 2020, 2022, and 2023 issued by the Ministry of Finance.

9.2 The Ministry of Finance shall be the final authority for the interpretation and amendment of the provisions under these Guidelines.

10. Performance-Based Grant (PBG) for Gewogs

To provide strong incentives to Gewogs to improve effective operations and service delivery, the performance assessment of capital grant utilization will be conducted. As such, Gewog's performance for FY 2024-25 shall be assessed, based on which the release of the remaining 30% of the annual capital block allocation for FY 2025-26 shall be made.

Criteria for Performance-Based Grant

Sl. No.	Criteria	Weightage	Sub-Criteria	Weightage
1	Realistic Planning, Budgeting and Execution	50%	Achievement of annual Target/KPI	40%
			Complete all system requirements (MYRB) such as the creation of new activities on or before the end of the third quarter (except for disaster activities and unless otherwise).	10%
2	Financial Management	20%	Closed works at the close of FY and adjustment thereof.	10%
			Cumulative expenditure (excluding advance) of at least 60% by the end of the 3rd quarter.	10%
3	Non-proliferation of activities	10%	Budget allocated for operational capital expenditure.	5%
			Budget allocated for multiple small activities.	5%
4	Compliance with relevant Government	20%	Compliance with Annual Grant Guidelines	10%

	policies, guidelines (AGG), and notifications		Audit observations as of date.	10%
		100%		100%

11. Assessment Methodology

The performance of the Gewogs shall be assessed based on the criteria and sub-criteria provided in the table above, with specific weights allocated to each aspect.

1. *Realistic Planning, Budgeting, and Execution (50%)*
 - *Sub-criteria 1.1: Achievement of the Annual Targets (40%)*

Description & data source for assessment: Measure progress against the annual targets set by respective Gewogs at the beginning of the FY. Use performance data and reports submitted at the end of the FY to assess the achievement level. The Gewogs' score under this criteria will be proportionate to the rate of achievement of annual targets.

Example: Suppose a Gewog has 10 activities/KPIs/targets for a particular FY. Each activity/KPI/target that is fully achieved (100%) will receive a maximum score of 25 points. KPIs or targets that are only partially met will receive no points. The final score under this criterion will be the aggregate of the scores for all 10 KPIs or targets.

For the assessment of Gewogs' Annual Targets, the following template or dashboard shall be used:

LGKRA	Sub-Activity	Budget (Nu. in million)	13FYP Target	Annual Target
LGKRA 1:				
LGKRA 2:				
LGKRA 3:				

***Note:** It is not necessary for the Gewogs to initiate numerous activities supporting all the LGKRAs within a single FY. Activities can be initiated based on the Gewog's capacity, resource availability, and annual priorities.

Submission Requirements for Gewogs:

Start of the Financial Year: Each Gewog must complete and submit the template/dashboard to the DPBP after finalizing their activities and budget allocations.

End of the Financial Year: Each Gewog must resubmit the completed dashboard, highlighting the progress and achievements of their annual targets.

Note: *The submitted dashboards will form the basis for evaluating the annual targets of each Gewog. It will be shared with the Royal Audit Authority for reference. Failure to submit the same will result in a zero score under this criterion.*

- *Sub-criteria 1.2: Complete all system requirements in MYRB on or before the end of the third quarter (except for disaster activities and unless otherwise)-10%.*

Description & data source for assessment: Complete all the system requirements such as the creation of new activities on or before the end of the third quarter (exceptions for disaster activities). DPBP shall verify records in the MYRB system to ensure new activities are created within the allowed timeframe and exceptions are appropriately documented.

Full compliance - Score 10

1 non-compliance- Score 5

2 and more non-compliance- Score 0

2. *Financial Management (20%)*

- *Sub-criteria 2.1: Closed works at the close of FY and adjustment thereof (10%).*

Description & data source for assessment: Assess the amount of approved budget retained under closed works at the close of FY and adjustments made. Financial statements and project closure reports from e-PEMS shall be reviewed for assessment.

If a Gewog retains a portion of its budget and activities in closed works, its score under the given criteria will be reduced. The reduction in the score will be directly proportional to the percentage of budget and activities (in %) retained under closed works.

- *Sub-criteria 2.2: Cumulative expenditure of at least 60% for activities initiated in the FY by the end of 3rd quarter (10%)*

Description & data source for assessment: DPBP shall Review the expenditure of respective Gewogs by the end of the third quarter. Data to be retrieved from the MYRB system and e-PEMS. Gewogs meeting the threshold of 60% expenditure shall get the full score of 10 under this criterion. Expenditure range: less than 60% - Score 0

3. *Non-Proliferation of Activities (10%)*

- *Sub-Criteria 3.1: Budget allocated for operational capital expenditure is within the limit (5%)*

Description & data source for assessment: The share of the approved budget utilized (including advances) under Object Code (OBC) 54.01, 54.02, 54.03 & 52.08 should be at most Nu. 0.20 million. Financial reports and records from the MYRB System shall be reviewed to ensure expenditures under these object codes are within the stipulated limit.

The excess amount will be calculated on a prorated basis, and the score will be assigned accordingly. A higher excess amount will result in a greater deduction.

Example: *If a Gewog spends Nu. 0.350 million cumulatively under these OBCs (meaning, it exceeded by Nu. 0.150 million). The score calculation is as follows:*
=0.150 (exceeded amount)/0.20 (limit amount)x5% (weight) =3.75% (exceeded)
=5 (total weight under this criteria)-3.75 (% exceeded) = 1.25
=Thus, the particular Gewog will get a score of 1.25 against the total score of 5.

Similarly, *If another Gewog spends Nu. 0.600 million under these OBCs (meaning, it exceeded by Nu. 0.400 million). The score calculation is as follows:*

=0.400 (exceeded amount)/0.20 (limit amount)x5% (weight) =10 (exceeded)
=5 (total weight under this criteria)-10.00 (exceeded) = -5
=Thus, the particular Gewog will get a score of 0.00 against the total score of 5 under this criteria, and also 5 points will be deducted from the overall score.

Sub-Criteria 3.2: Budget allocated for multiple small activities is within the limit (5%)

Description & data source for assessment: The Gewogs may implement multiple small activities critical for the community within the total budget limit of Nu. 0.300 million per annum. Budget allocation trends of the Gewog for FY 2024-25 from the MYRB System shall be analyzed to ensure compliance with the specified allocation limits.

The excess amount will be calculated on a prorated basis, and the score will be assigned accordingly. A higher excess amount will result in a greater deduction.

Example: *If a Gewog spends a cumulative amount of Nu. 0.400 million for multiple small activities. The score calculation is as follows:*
=0.100 (exceeded amount)/0.30 (limit amount)x5% (weight) =1.66% (exceeded)
=5 (total weight under this criteria)-1.66 (% exceeded) = 3.34
=Thus, the particular Gewog will get a score of 3.34 against the total score of 5.

Similarly, If another Gewog spends Nu. 0.700 million, (meaning, it exceeded by Nu. 0.400 million. The score calculation is as follows:

=0.400 (exceeded amount)/0.30 (limit amount)x5% (weight) =6.66% (exceeded)

=5 (total weight under this criteria)-6.66 (exceeded) = -1.66

=Thus, the particular Gewog will get a score of 0.00 against the total score of 5 under this criteria, and also 1.66 points will be deducted from the overall score.

4. *Compliance with the Relevant Government Policies, Guidelines, and Notifications (20%)*

● *Sub-Criteria 4.1: Compliance with Annual Grant Guidelines (10%)*

Description & data source for assessment: Check compliance with the Annual Grant Guidelines, 2024. Ensure all the provisions under this guideline are followed. DPBP shall document the cases of non-compliance for assessment at the end of the FY.

● *Sub-Criteria 4.2: Audit Observations as of the date (10%)*

Description & data source for assessment: Review the number and status of unsettled audit observations as of June 30, 2025. Verify Gewog's efforts in addressing them. Ensure corrective actions are taken to resolve outstanding audit issues. The source of data is the Royal Audit Authority.

Full compliance - Score 10

1-2 audit observations- Score 5

3 and more audit observations- Score 0

Overall Assessment

The overall performance score for each Gewog will be calculated by summing the weighted scores from each of the four main criteria, with the total possible score being 100% (*sample as in table below*).

The evaluation will involve a combination of quantitative analysis of financial records, audit reports, and system compliance checks, as well as qualitative assessments of planning and execution effectiveness.

By adhering to this methodology, the assessment will provide a balanced and thorough evaluation of each Gewog's performance in alignment with the Annual Grant Guidelines and objectives.

Annual Grants Guidelines for Local Governments, July 2024

Sl. no	Gewog	Realistic Planning, Budget & Execution (50%)		Financial management (20%)		Non-Proliferation (10%)		Compliance with relevant Government policies, guidelines, and notifications		Total Score (%)
		Annual Target (40%)	Completion of system requirement (10%)	No Closed work (10%)	60% Expenditure by the end of Q3 (10%)	Operational capital expenditure within the limit (5%)	Multiple small activities within limit(5%)	AGG (10%)	Audit (10%)	
1	A	40	10	10	10	5	5	10	10	100
2	B	-	-	-	-	-	-	-	-	-