

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC86682

Project Name	Bhutan BLSS Economic Census
Region	SOUTH ASIA
Country	Bhutan
Lending Instrument	IPF
Project ID	P161338
Borrower Name	The Kingdom of Bhutan
Implementing Agency	National Statistics Bureau
Environment Category	C - Not Required
Date PID Prepared	20-Nov-2016
Estimated Date of Approval	31-Jan-2017
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Bhutan is a small landlocked nation located in the eastern Himalayas, bordered entirely by the two most populous nations in the World: China and India. The country has the second smallest population and land area in South Asia and by far the lowest population density in the region.

Bhutan has recorded remarkable economic growth since 2000. Gross Domestic Product (GDP) per capita has increased at an annual average rate of 5.5 percent and Gross National Income (GNI) per capita at 5.0 percent per year. The recent economic growth has been remarkably broad-based, which translated into significant poverty reduction. In just five years between 2007 and 2012, poverty headcount rate defined by the national official poverty line decreased from 23.2 percent to only 12.0 percent. Using the international poverty line of \$1.90 a day (PPP), Bhutan had almost eliminated poverty to 2 percent by 2012, which is substantially lower than the regional average poverty rate of 19 percent in 2012. Using a higher international poverty line of \$3.10 a day, Bhutan also shows an impressive poverty reduction from 29 percent in 2007 to 14 percent in 2012.

The broad-based economic development reflects the country's unique development philosophy known as the Gross National Happiness, a term pioneered by the Fourth King in the 1970s. The Royal Government of Bhutan (RGoB) made the pursuit of Gross National Happiness the overarching goal of its development strategy. The influence of the GNH on the country's development strategy can be appreciably observed in many areas such as the provision of free public education and healthcare services, low levels of corruption, robust institutions and the marked expansion of the tourism industry that relies on the country's deep-seated cultural heritage of Buddhism.

Sectoral and Institutional Context

The National Statistics Bureau of Bhutan (NSB) completed National Statistics Development Strategy (NSDS) in 2014. The NSDS has five strategic objectives: (i) developing a legal and policy framework for the development of Official Statistics, (ii) developing capacity of the NSB staff, (iii) fully utilizing the scarce technical and financial resources, (iv) increasing the Official Statistics availability to fulfill the user needs, and (v) providing the users an easier access to the Official Statistics.

The RGoB is going to conduct its fourth National Population and Housing Census in 2016 and the next round of Bhutan Living Standard Survey (BLSS) in 2017. The BLSS is a national household survey undertaken by the NSB and serves as the primary data source for national poverty estimates. Three rounds of the BLSS were conducted in 2003, 2007 and 2012. The NSB is also preparing for an Economic Census, the first of its kind in the country, which will collect detailed sector-specific data to address the imminent challenges in the current National Accounting System. The challenges includes but not limited to the implementation of the 2008 System of National Accounts, lack of sector specific data to produce accurate Gross Value Added Ratio (GVAR), and inconsistent base years for Consumer Price Index, Producer Price Index and Construction Material Index.

The World Bank has a long history of engagement with the RGoB and the NSB in the areas of statistical capacity building and poverty measurement and analysis. For instance, the drafting of the NSDS was supported by the Trust Fund for Statistical Capacity Building (TFSCB). The Royal Government of Bhutan has implemented a series of household surveys by Computer Assisted Personal Interviews (CAPI) with support from DECDG's Survey Solutions team (e.g. Labour Force Surveys 2014, 2015, Gross National Happiness Survey 2015, and Enterprise Survey 2015). The Bank has collaborated with the NSB on poverty measurement and analysis following the 2007 and 2012 BLSS. The World Bank collaborated with the NSB and the Gross National Happiness Commission (GNHC) for the production of Poverty Maps, which has been used by the RGoB to allocate block grants. The next BLSS data will be key inputs to updating national poverty estimates and Poverty Maps, to which the team is expected to provide technical inputs.

Relationship to CAS/CPS/CPF

The project is fully aligned with the current Country Partnership Strategy (CPS). The CPS seeks to protect Bhutan's recent gains in reducing poverty and boosting shared prosperity and closely follows the objectives of the RGoB's 11th Five Year Plan (FYP) 2013- 2018. By supporting the implementation of the NSDS, the project contributes to the NSB to update their Official Statistics on poverty and other key socio-economic indicators required to assess the achievement of the 11th FYP and to set the baseline for the 12th FYP (2019-2013), the preparatory work of which has already begun.

II. Project Development Objective(s)

Proposed Development Objective(s)

The PDO is to support the National Statistics Bureau (NSB) to collect, analyze and disseminate data by carrying out the Bhutan Living Standard Survey and the Economic Census and contribute to strengthening its capacity.

Key Results

Data collection

Successful completion of the 2017 Bhutan Living Standard Survey
 Successful completion of the 2017 Economic Census

Analysis

Publication of the 2017 BLSS Report
 Publication of the 2017 Poverty Analysis Report
 Publication of the 2017 Economic Census Report

Dissemination

Archiving the 2017 BLSS in the World Bank's Microdata Library
 Archiving the 2017 Economic Census in the World Bank's Microdata Library

III. Preliminary Description**Concept Description****IV. Safeguard Policies that Might Apply**

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		x	
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	0.68	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Trust Fund for Statistical Capacity Building			0.68
Total			0.68

VI. Contact point**World Bank**

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