Consolidated Annual Report on Land Administration & Management

A Comprehensive Analysis of Performance, Challenges, and Strategic Direction

Fiscal Year 2024–2025

Table of Contents

Abbreviations

Abbreviation	Full Form
BCCI	Bhutan Chamber of Commerce and Industry
CoRE	Chhuzhing Optimization and Rationalization Exercise
DHS	Department of Human Settlement
DoLAM	Department of Land Administration and Management
FY	Fiscal Year
GCIT	Gyalpozhing College of Information Technology
GIS	Geographic Information System
GMC	Gelephu Mindfullness City
ICT	Information and Communication Technology
LAPs	Local Area Plans
LBMS	Land Bank Management System
LLRR	Land Lease Rules and Regulations
LMD	Land Management Division
LUC	Land Use Certificate
NCR	National Capital Regions
NCRP	National Cadastral Resurvey Program
NOC	No Objection Certificate
OGZ	Office of the Gyalpoi Zimpon
PAVA	Property Assessment and Valuation Agency
RAG	Retrieval Augmented Generation
RLD	Rural Land Division
SOP	Standard Operating Procedure
TAT	Turnaround Time
TOR	Terms of Reference
ULD	Urban Land Division

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt

1. Executive Summary

This report presents a consolidated analysis of the performance of the Department of Land Administration and Management (DoLAM) for the fiscal year 2024–2025. By integrating the data from its three core divisions—Rural Land Division (RLD), Urban Land Division (ULD), and Land Management Division (LMD)—this document provides a holistic view of Bhutan's land governance landscape, highlighting key achievements, systemic challenges, and a strategic path forward.

1.1. Key Performance Highlights

Historic Transaction Volume: DoLAM processed a total of **23,150 transactions**, a clear indicator of the growing importance and public reliance on land administration services for economic and social activities.

Rural Land Division – Operational Resilience: The RLD managed a record-breaking **19,706 rural transactions excluding the 2,068 actionable cases received and managed through MyNLCS system.** Despite a 260% increase in volume of land transaction since FY 2022-2023, the division demonstrated remarkable resilience and improved its efficiency, achieving a corrected average Turnaround Time (TAT) of 7.05 days. This success underscores significant process maturation and staff adaptation.

Urban Land Division – Benchmark Speed: The ULD processed **2,067 urban transactions** with an exceptional **average TAT of just 3 days**, **setting a high standard for service delivery speed.** This efficiency was most notable in high-volume Thromdes like Thimphu.

Land Management Division – Strategic Innovation: The LMD managed approximately **1,377 specialized State land transactions** and positioned itself as a key driver of national development. Its work on the **Land Bank Management System (LBMS) and policy reforms** in leasing and exchange are foundational for unlocking the economic potential of State land.

1.2. Principal Challenges

The year's successes were contrasted by significant institution's challenges:

A Critical Quality Control Gap: The ULD's efficiency is overshadowed by an alarmingly high land transaction rejection rate of 34%. The primary cause—incomplete or incorrect documentation—points to a systemic issue at the application stage, creating delays and frustration for citizens.

Pervasive Capacity Gaps: Performance varies dramatically between Dzongkhags. Rejection rates in some urban areas soar as high as 75.6%, while TATs for rural transactions in some low-volume Dzongkhags are disproportionately long. This indicates an urgent need for targeted training and support.

Data Integrity Concerns: The discovery of a systemic error in the automated TAT calculation within the RLD's reporting system highlights the need for more robust and reliable data systems to ensure accurate performance measurement and evidence-based decision-making.

1.3. Strategic Outlook

DoLAM is at a pivotal juncture. It has proven its capacity to handle immense scale but must now focus on ensuring quality, consistency, and reliability across its entire ecosystem. The strategic path forward involves a three-pronged approach:

- Enhancing Digital Systems to be more user-friendly and error-proof.
- Investing in Targeted Capacity Building to standardize service quality across all Dzongkhags and Thromdes.
- Optimizing Processes to bridge the gap between citizen applications and administrative approvals.

By addressing these areas, DoLAM can evolve from a reactive processing body into a proactive, citizen-centric agency that underpins sustainable and equitable development for Bhutan.

2. Introduction

2.1. Purpose of the Report

The purpose of this consolidated report is to provide a comprehensive, evidence-based assessment of the Department of Land Administration and Management's performance during the 2024-2025 fiscal year. It aims to synthesize the operational statistics, strategic initiatives, and institutional challenges of its three divisions to create a unified narrative of land governance in Bhutan. This document serves as a tool for accountability, strategic planning, policy formulation, and institutional improvement.

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt

2.2. Scope and Methodology

This report covers the fiscal year of 2024 to 2025. The analysis is based exclusively on the data presented in the individual annual reports of the Rural Land Division, Urban Land Division, and Land Management Division. The methodology involves:

- **Quantitative Analysis:** Aggregating and comparing transaction volumes, transaction types, turnaround times, and rejection rates (ULD).
- **Qualitative Assessment:** Reviewing strategic initiatives, policy reforms, and documented institutional challenges.
- **Comparative Analysis:** Juxtaposing the performance and challenges of the three divisions to identify cross-cutting themes and system-wide issues.

2.3. The Role of DoLAM and its Divisions

The Department of Land Administration and Management is the central authority responsible for the transparent, efficient, and equitable administration of all land in Bhutan. It operates through three specialized technical divisions:

- **Rural Land Division:** The largest division by volume, it manages all transactions related to private land in rural areas, including inheritance, sales, and conversions. Its work is fundamental to the livelihoods of the majority of Bhutan's population. RLD is required to develop relevant and innovative policies and strategies that address land administration gaps and promote efficient service delivery.
- **Urban Land Division:** The Urban Land Division oversees all property transactions within designated urban centers and Thromdes, including sales, inheritances, and the burgeoning market for strata properties (flats). To effectively manage the dynamics of urbanization, ULD develops innovative policies that ensure efficient land administration.
- **Land Management Division:** A strategic division that regulates the use of State land. It manages leases for economic activities, land exchanges, land allocations for public institutions (LUC), and compensation for land acquisition and Satshab, directly supporting national development goals.

3. 📊 Performance Overview: A Consolidated View

This section presents a consolidated performance overview of the Department of Land Administration and Management based on key operational indicators across four fiscal years (2021–2025). The analysis includes a comparison of total land transactions by Dzongkhag over the four-year period (Section 3.1), trends in turnaround time (Section 3.1.1), and a detailed breakdown of land transactions by Dzongkhag for the most recent fiscal year 2024–2025 (Section 3.2 – 3.3). These data points provide valuable insights into transaction volumes, efficiency of service delivery, and performance variations across Dzongkhags and time, thereby enabling evidence-based planning, resource allocation, and service improvements across the Department.

3.1. Consolidated Land Transactions by Dzongkhag for Four Fiscal Years (2021- 2025)

Dzongkhag	Rural Land Division				Urban Land Division				Land Management Division				Total
	(2021-2022)	(2022-2023)	(2023-2024)	(2024-2025)	(2021-2022)	(2022-2023)	(2023-2024)	(2024-2025)	(2021-2022)	(2022-2023)	(2023-2024)	(2024-2025)	
Bumthang	312	313	416	527	341	122	48	135	-	7	6	12	2,239
Chhukha/Phuentsholing	592	411	588	944	320	134	187	263	-	147	108	94	3,788
Dagana	394	279	591	1,108	6	2	4	25	-	47	51	111	2,618
Gasa	90	136	90	150	3	2	0	9	-	14	6	38	538
Haa	141	126	219	364	85	21	13	43	-	27	14	6	1059
Lhuentse	187	47	111	255	16	16	10	18	-	42	41	49	792
Monggar	561	563	525	1,208	100	37	14	44	-	67	30	27	3176
Paro	2088	1,332	1,299	2,051	16	14	6	17	-	41	29	44	6,937
Pemagatshel	377	79	198	578	19	6	6	21	-	22	55	19	1380
Punakha	566	320	603	1,106	29	11	15	26	-	30	16	46	2768
Samdrup Jongkhar	459	167	441	400	80	74	29	70	-	77	42	77	1916
Samtse	877	756	1,169	2,525	84	75	83	108	-	58	212	337	6284
Sarpang/Gelephu	963	1,063	919	3,828	694	348	197	279	-	76	361	58	8,786

"In pursuit of effective and efficient land governance"

Thimphu	693	637	487	553	1077	436	424	690	-	72	38	48	**5,155**
Trashi Yangtse	398	101	200	309	146	80	33	67	-	42	24	26	**1426**
Trashigang	631	250	373	990	70	25	16	36	-	12	8	193	**2604**
Trongsa	138	95	120	297	41	28	11	28	-	24	38	37	**857**
Tsirang	238	506	740	1,288	147	64	38	86	-	11	22	41	**3181**
Wangdue Phodrang	401	276	449	861	58	61	32	61	-	29	13	46	**2287**
Zhemgang	144	53	94	364	52	19	19	41	-	30	14	14	**844**
Total	**10,250**	**7,510**	**9,632**	**19,706**	**3,384**	**1,575**	**1,185**	**2,067**	**-**	**875**	**1,128**	**1,377**	**58,689**

Table 1: Consolidated Land Transactions by Dzongkhag for Fiscal Years (2021-2025)

* NOTE: 54 doesnot have identifiable Dzongkhag Tags in the source report. Most of these are likely **institutional LUC approvals** or **centrally processed cases** not assigned to Dzongkhags.

The **Land Management Division** data for the fiscal year **2021–2022** does **not contain a Dzongkhag-wise breakdown**. Instead, the annual report presents **aggregated division-level figures covering a six-year period** (2016–2021) across its core functional areas: Satshab, Lease, Land Exchange, and LUC.

As such, the LMD row for FY 2021–2022 in the Dzongkhag-level table and the TAT summary is left intentionally **blank**, as no disaggregated data was provided for that year.

From 2016 to 2021, the Land Management Division undertook significant operations across its four main functional areas. Under the **Satshab Section**, a total of **610.979 acres** of land was acquired, out of which **569.713 acres** were endorsed as Satshab. This process affected **783 individuals**, with the acquired land comprising **77.513 acres of Chhuzhing** and **533.466 acres of Kamzhing**. In the **Lease Section**, **916 proposals** were received, of which **728 were approved**. The **Land Exchange Section** handled **1,488 cases**, involving **2,045.093 acres** of private registered land; **935 cases** were approved, while **477 were dismissed** and **76 deferred**.

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt

As of December 2021, the **Land Use Certificate Section** had issued **22,132.518 acres of rural** and **3,205.312 acres of urban** land. Of this, government institutions were the primary recipients, holding **20,095.135 acres in rural** and **3,086.671 acres in urban** areas. Corporations and individuals received **912.552 acres (rural)** and **619 acres (urban)**, while other beneficiaries included Gerab Dratshang, religious institutions, community landholders, and civil society organizations.
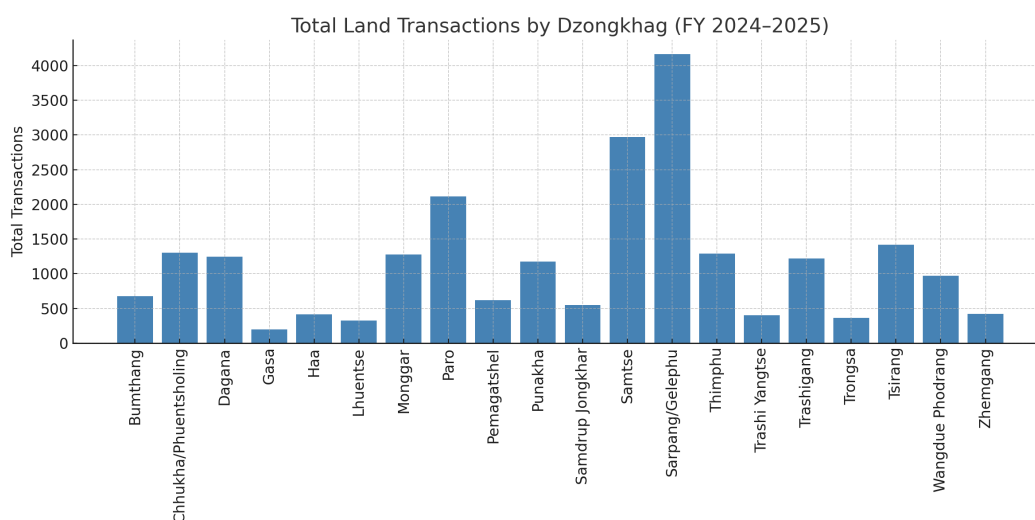
Figure 1:Total Land Transactions by Dzongkhag (FY 2024-2025)

3.2. Consolidated Land Transactions by Dzongkhag (FY 2024-2025)
3.2.1. Total Transaction Volume: A National Perspective

In the fiscal year 2024-2025, DoLAM collectively processed 23,150 transactions. This substantial figure highlights the high level of activity in Bhutan's land sector and the critical role DoLAM plays in the daily lives and economic pursuits of its citizens. The Rural Land Division is, by far, the largest contributor to this volume.

Chart 1: Contribution to Total Transaction Volume by Division (FY 2024-2025)

DoLAM Total Transactions: 23,150

● Rural (RLD): **19,706** (85.1%)   ● Urban (ULD): **2,067** (8.9%)   ● State Land (LMD): **~1,377** (6.0%)
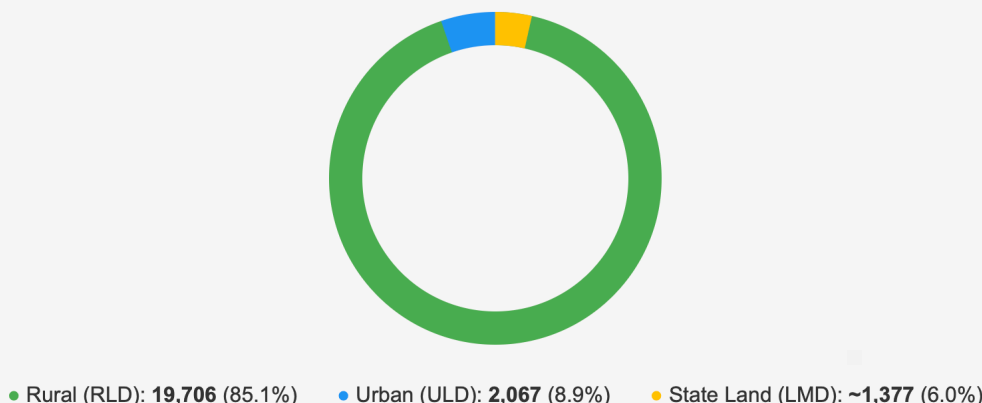
As illustrated, the RLD handles the vast majority of transactions, underscoring the scale of its operations and the importance of rural land in Bhutan.

Figure 2: DoLAM Total Land Transactions

The pronounced disparity in transaction volumes, are largely driven by the differing levels of activity in the land markets of urban and rural areas.

3.2.2. Comparative Divisional Performance at a Glance

The table below provides a high-level comparison of the three divisions, highlighting their distinct operational characteristics. It is also important to note that each division operates under different scopes and service mandates—making direct TAT or volume comparisons informative, but not definitive performance judgments.

Performance Metric	Rural Land Division (RLD)	Urban Land Division (ULD)	Land Management Division (LMD)
Total Transactions	19,706	2,067	1,377
Primary Focus	High-volume processing of private rural land	High-speed processing of private urban property	Strategic management of State land assets
Dominant Activities	1. Inheritance (38.1%) 2. Sale/Purchase (33.0%)	1. Sale/Purchase (36.4%) 2. Inheritance (32.8%)	1. Land Exchange (600) 2. Land Lease (364)
Avg. Turnaround Time	7.05 days (Corrected)	3 days	Varied (case-dependent)
Key Strength	Managing massive scale with improving efficiency	Exceptional processing speed	Strategic alignment with national economic goals
Primary Challenge	Data integrity in reporting; workload disparity	Extremely high rejection rate (34%)	Complexity of policy-driven transactions

Table 2: Comparative divisional performance at a glance

3.3. Consolidated table for the fiscal year 2024-2025 by Dzongkhag/ Thromde

Dzongkhag	RLD	ULD	LMD	Total
Bumthang	527	135	12	797
Chhukha/Phuentsholing	944	263	94	1,486
Dagana	1,108	25	111	1,233
Gasa	150	9	38	161
Haa	364	43	6	433
Lhuentse	255	18	49	289
Monggar	1,208	44	27	1,281
Paro	2,051	17	44	2,094
Pemagatshel	578	21	19	602
Punakha	1,106	26	46	1,153
Samdrup Jongkhar	400	70	77	498
Samtse	2,525	108	337	2,710
Sarpang/Gelephu	3,828	279	58	4,148
Thimphu	553	690	48	1,461
Trashi Yangtse	309	67	26	376
Trashigang	990	36	193	1,037
Trongsa	297	28	37	327

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt

Tsirang	1,288	86	41	1,403
Wangdue Phodrang	861	61	46	934
Zhemgang	364	41	14	405
Total	**19,706**	**2,067**	**1,377**	**23,150**

Table 3:Consolidated Land Transaction by Dzongkhag (FY 2024-2025)

In the 2024- 2025 fiscal year, the Department of Land Administration and Management recorded a total of 23,150 land-related transactions nationwide. The Rural Land Division accounted for the vast majority of these transactions, with 19,706 (85.2%), followed by the Urban Land Division with 2,067 (8.9%) and the Land Management Division with 1,377 (5.9%). Geographically, the highest transaction volumes were observed in Sarpang/Gelephu (4,148), Samtse (2,710), Paro (2,094), Chhukha/Phuentsholing (1,486), and Thimphu (1,461). Conversely, Dzongkhags such as Gasa (161), Lhuentse (289), Trongsa (327), and Zhemgang (405) recorded the lowest volumes, likely reflecting lower population densities or more limited land market activity.

It is important to interpret these figures within the context of each division's distinct mandate. The high volume of the RLD reflects its broad scope covering rural land dealings. In contrast, the ULD's lower figure is not an indicator of underperformance but corresponds to the scale of land activity within its specific urban-centric jurisdiction. Similarly, the LMD's transactions are different in nature, as its role focuses more on policy, land use planning, and administrative functions, making its output not directly comparable to the other two divisions.

4. 📣 Shout-Outs: Divisional Highlights from FY 2024-2025

This section showcases milestone achievements by each division of the Department of Land Administration and Management. These reflect the Department's commitment to innovation, governance reform, cross-sector collaboration, and service delivery excellence across Bhutan's land administration ecosystem.

4.1. Rural Land Division Highlights

- **Chhuzhing Optimization (CoRE)**: Field validated in 4 NCR Dzongkhags; report submitted to Cabinet.
- **NCRP Last Mile**: Videos produced, journal published, closure report drafted.
- **Tsamdro Program**: Field verification completed, kasho and Thram issued.
- **Private LUC Rules**: Drafted, translated, implemented with zero cost.

- **Backlog Clearance**: Backlog cases - Pending Thrams (2,570) and Plots (5,841) in NCRP database report submitted and presented to the Management.
- **Backlog Clearance**: Terms Of Reference and Standard Operating Procedure Developed.
- **Backlog Clearance:** Sarpang Dzongkhag Prioritised - verified (699 Thrams and 1,322 Plots); report submitted/ presented to the Management and OGZ and acted upon.
- **Census & Tibetan Thram Cases**: Reviewed, reports submitted to OGZ; prioritization of Royal command.
- **OGZ Retreat**: 2-week retreat produced actionable strategies on 20+ issues.
- **Digitization & RAG System**: Developed with GCIT students; presented to management.
- **Data Cleaning**: Over 3,000 discrepancies addressed; corporation records corrected.
- **e-Sakor Enhancement**: Upgraded in collaboration with ICT.

4.2. Urban Land Division Highlights

- Finalized **Strata Rules and Regulations**: Drafted, consulted publicly, finalized, and translated.
- Resolved **56% of pending NCRP** cases.
- Maintained **continuous and up-to-date file indexing**.
- Completed **validation of 3 LAPs** of Phuentsholing.
- Proposed and implemented **90% tax concession** on no-construction plots (with PAVA Taskforce).
- Merged **municipalities with Dzongkhag Land Record Sectors**.
- Identified and submitted **precinct discrepancies** to DHS for confirmation.
- Completed the **Report Generation Module** with ICT Division.
- Contributed to **GMC valuation approaches**.
- Facilitated **staff exchange program** with Thimphu, Samdrup Jongkhar, and RLD.
- Standardized **ULD transaction forms**.

4.3. Land Management Division Highlights

- **LBMS Development**: Transitioned from basic lease system to Land Bank platform; presented to World Bank.
- **Revised State Land Leasing Policy**: Digitally aligned, stakeholder-validated draft completed.
- **Amended Lease Rules (LLRR 2018)**: Streamlined approvals and timelines; endorsed and rolled out.

"In pursuit of effective and efficient land governance"

- **Sports Facilities Reform**: Nationwide archery range documentation; safety protocols implemented.
- **Lease Rate Revision (2024)**: Consulted BCCI and agencies; finalized new rates for rollout in Nov 2024.
- **Land Exchange Policy Reform**: Reviewed sustainability; new draft policy under internal review.
- **LUC Monitoring Dashboard**: Piloted remote monitoring; future platform planned.
- **Data Reconciliation**: Identified 121 mortgaged LUC plots; 96 liquidated, remaining under resolution.
- **Crown Property Framework**: Drafted with OGZ; structured around 5 stewardship principles.

Together, these division-specific initiatives form the backbone of DoLAM's transformational agenda—enhancing service delivery, promoting transparency, safeguarding national interests, and enabling sustainable land governance.

5. Deep Dive: Rural Land Division – Managing Unprecedented Scale

5.1. Mandate and Core Functions

The Rural Land Division is entrusted with the essential task of recording, processing, and updating ownership and tenure for all rural land parcels, serving as a cornerstone for effective land governance in rural areas. Its core functions are critical in ensuring tenure security, which provides landowners with the confidence and legal backing necessary to invest in and utilize their land effectively. By maintaining accurate records of land ownership and tenure, the RLD plays a significant role in resolving disputes that may arise over boundaries or ownership claims, thereby fostering social stability and community cohesion.

The RLD facilitates the rural land economy by streamlining processes related to land transactions and tenure arrangements. By enhancing tenure security and minimizing conflicts, the RLD promotes investment in rural infrastructure and development projects, ultimately contributing to economic growth and improved living standards in rural communities. Through its commitment to effective land management, the RLD is instrumental in fostering sustainable rural development and empowering communities to thrive.

5.2. Transaction Volume Analysis: Geographic and Thematic Distribution

The RLD's workload of 19,706 transactions is not evenly distributed across the country. A few Dzongkhags account for a disproportionately large share of the activity.

Chart 2: Rural Land Transactions by Dzongkhag (FY 2024-2025)

Key Observations:

- **High Volume (Top 3):** Sarpang, Samtse, and Paro account for 8,404 transactions, or **42.8% of the national total**. This indicates intense land market activity, likely driven by economic development (e.g., Gelephu Mindfulness City), population density, and agricultural dynamism.
- **Medium Volume (Next 4):** Tsirang, Monggar, Dagana, and Punakha show balanced and significant activity.
- **Low Volume (Bottom 3):** Gasa, Lhuentse, and Trongsa have the lowest activity, likely due to lower population density and more static landholding patterns.

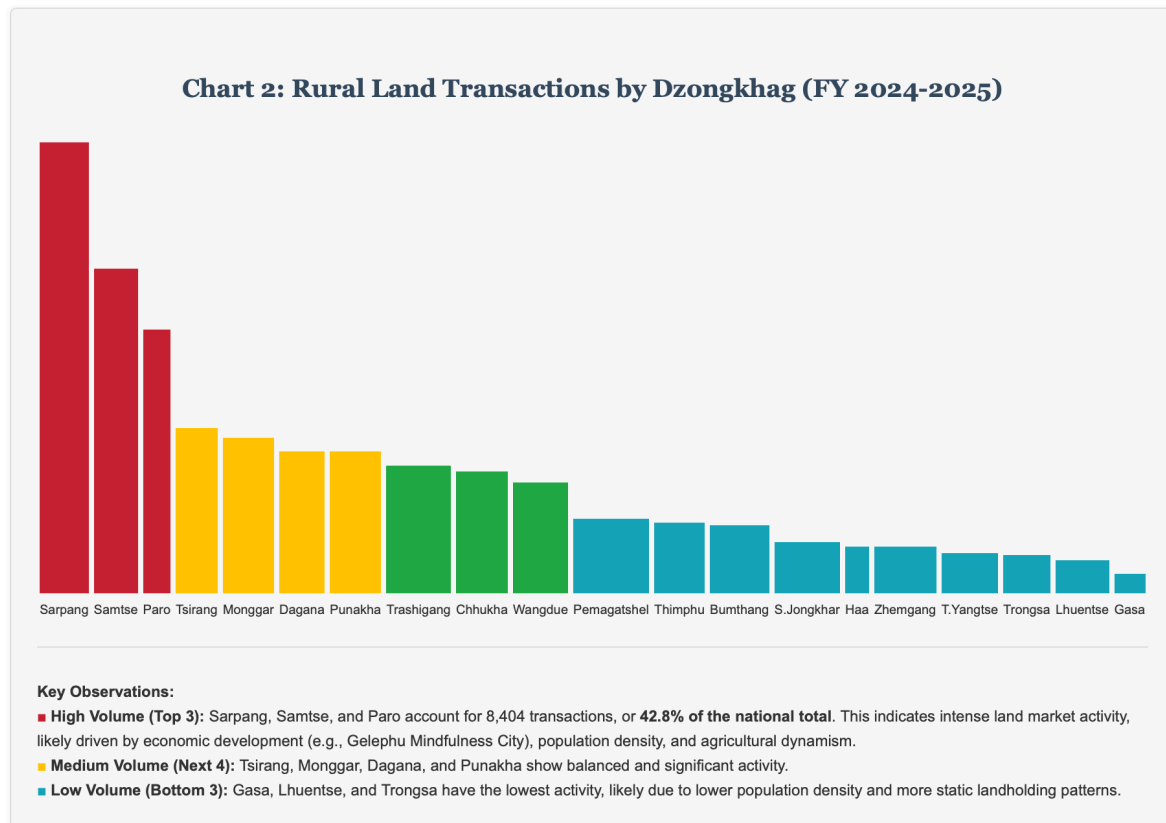*Figure 3: Rural Land Transactions by Dzongkhag (FY 2024-2025)*

5.3. Transaction Type Analysis: Understanding Rural Land Dynamics

The types of transactions processed reveal important socio-economic trends. The rural land market is dominated by three main activities that together account for nearly 90% of all transactions.

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt

Chart 3: Breakdown of Rural Transaction Types

Top 3 Transaction Types Account for 89.6% of Total

38.1%	**33.0%**	**18.5%**
Inheritance	Sale/Purchase	Land Conversion
(7,508 cases)	(6,510 cases)	(3,648 cases)
Reflects the strong tradition of generational land transfer and family-based landholding.	Indicates a dynamic and active rural land market, contributing to economic activity.	Points to shifts in land use, such as from agricultural to residential, signaling development and settlement expansion.

Figure 4: Breakdown for Rural Transaction Types

5.4. Operational Efficiency: The Turnaround Time (TAT) Investigation

A key part of the RLD's performance story this year was its investigation into the Turnaround Time (TAT).

- **The Problem:** The initial system-generated report showed an average TAT of 17.77 days, a significant and alarming increase from previous years.
- **The Investigation:** The RLD team discovered a systemic flaw where the automated system did not correctly account for the time transactions were "returned" to Dzongkhags for correction. This artificially inflated the processing time.
- **The Solution:** A hybrid methodology was adopted. A random sample of transactions was manually verified to find the true average TAT for returned cases (approx. 11 days). This corrected figure was then applied to all transactions with an initially high TAT, while transactions with a low TAT (deemed accurate) were left unchanged.
- **The Result:** This diligent correction revealed the true average TAT to be 7.05 days. This is a remarkable achievement, representing a 19% improvement over the previous fiscal year, despite the workload more than doubling.
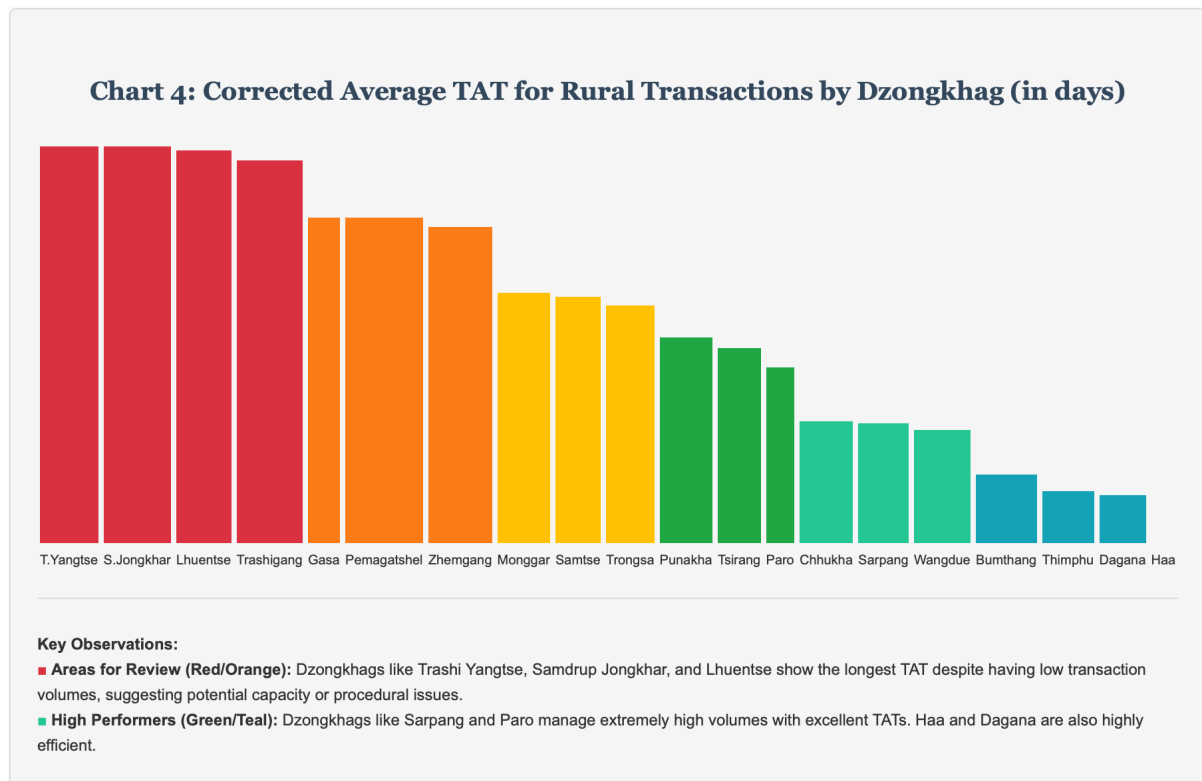
Chart 4: Corrected Average TAT for Rural Transactions by Dzongkhag (in days)

Figure 5: Corrected Average TAT for Rural Transactions_Dzongkhag wise

5.5. Beyond Transactions: Administrative Case Management (MyNLCS)

The RLD also handled 2,068 complex administrative cases through the MyNLCS system. These are not simple procedural tasks but often involve deep investigation, legal interpretation, and historical record verification.

- **Dominant Case Types:** The workload is dominated by Ownership Type Change (451 cases) this transaction is received through e-Sakor land transaction as well as MyNLCS for walk in clients and court-related mandates (Court Order, Enforcement, and Verdicts totaling 412 cases).

6. Deep Dive: Urban Land Division - The Challenge of Quality at Speed

6.1. Mandate and Core Functions

The Urban Land Division is tasked with the administration and management of land and property transactions within Thromde areas, playing a vital role in the urban development landscape. Its core responsibilities encompass the registration, transfer,

"In pursuit of effective and efficient land governance"

and documentation of land parcels, buildings, and strata titles, which are essential for establishing legal ownership and facilitating clear property rights.

The ULD is instrumental in supporting the growth of a structured housing market and a formal urban economy. By streamlining the processes related to land registration and transfer, the division enables efficient urban development that aligns with planning regulations and community needs. By prioritizing transparency and legal clarity, the ULD plays a crucial role in shaping sustainable urban environments that promote inclusive growth and community well-being, making it an essential entity in the realm of urban land governance.

6.2. Transaction Volume and Geographic Distribution

The ULD processed 2,067 transactions, with activity heavily concentrated in the major economic hubs.

- **Urban Hotspots:** Thimphu (690), Phuentsholing (248), and Gelephu (199) together account for 55% of all urban transactions, underscoring their dominance in Bhutan's urban land market.
- **Growing Centers:** Dzongkhags like Bumthang (135) and Samtse (108) also show significant urban activity.

6.3. Transaction Type Analysis: Reflecting Urbanization Trends

The types of transactions in urban areas reflect a modernizing property market.

- **Dominant Types:** Sale/Purchase (36.4%) and Inheritance (32.8%) are the most common.
- **Key Trend:** The significant share of Flat Transfers (16.3%) highlights the growing importance of apartment ownership and strata properties in urban centers, a clear sign of urbanization and changing housing preferences.

6.4. Two Metrics: Efficiency vs. Rejection

The ULD's performance is a story of contrasts. On one hand, its processing speed is exemplary. On the other, its rejection rate is a major cause for concern.

- **Benchmark Efficiency:** The overall average TAT of 3 days is outstanding. Even Thimphu, with the highest workload, maintains an average TAT of just 2 days. This indicates highly efficient internal processes and dedicated staff.

- **The Rejection Problem:** This efficiency is undermined by overall average rejection rate of 34%. This means 1 in every 3 applications is sent back, causing delays, rework, and frustration for citizens and staff alike.
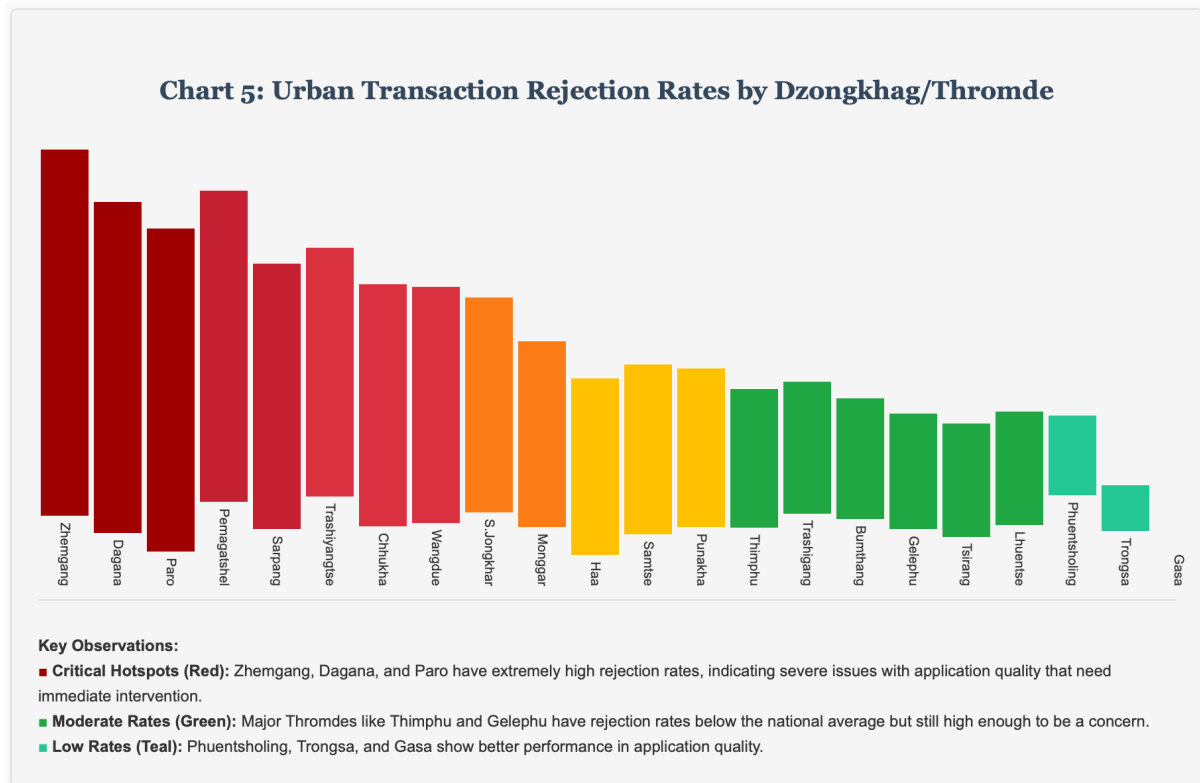

Chart 5: Urban Transaction Rejection Rates by Dzongkhag/Thromde

Key Observations:

■ **Critical Hotspots (Red):** Zhemgang, Dagana, and Paro have extremely high rejection rates, indicating severe issues with application quality that need immediate intervention.

■ **Moderate Rates (Green):** Major Thromdes like Thimphu and Gelephu have rejection rates below the national average but still high enough to be a concern.

■ **Low Rates (Teal):** Phuentsholing, Trongsa, and Gasa show better performance in application quality.

*Figure 6: Urban Transaction Rejection Rates*

6.5. Root Cause Analysis of Transaction Rejections

The ULD report provides a clear breakdown of why transactions are rejected. The problem is overwhelmingly procedural and occurs before the application even reaches the final approver.

Chart 6: Primary Reasons for Urban Transaction Rejection

Analysis of 703 Rejected Transactions
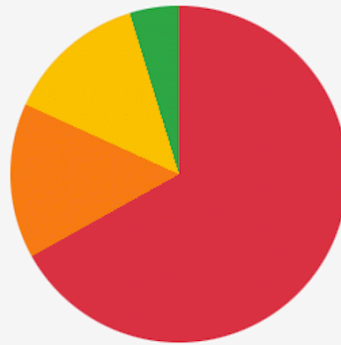
● **66.9% - Missing, Overwritten, or Incomplete Documents:** This is the single biggest issue. It includes missing No Objection Certificates (NOCs), occupancy certificates, or incorrect details in agreements.

● **14.9% - Unclear or Overlapping Thumb Impressions:** A basic but frequent error that invalidates legal documents.

● **13.5% - Mismatch between Document and System:** Information in the submitted physical documents does not match the data entered in the eSakor system.

● **5.7% - Mismatch within the System:** Inconsistencies between different parts of the online transaction overview.

This analysis clearly shows that the problem is not with the ULD's processing capacity but with the quality of the initial application.

Figure 7: Primary reason for Urban Transaction Rejection

The chart presents an analysis of 703 rejected urban transactions, highlighting the primary reasons for rejection. A significant 66.9% of the issues stem from missing, overwritten, or incomplete documents, particularly related to No Objection Certificates (NOCs) and occupancy certificates, indicating that documentation quality is the main concern. Additionally, 14.9% of rejections are attributed to unclear or overlapping thumb impressions, which result in validation errors. Lastly, 5.7% of the rejections are due to mismatches within the system, where inconsistencies arise between various parts of the online transaction process. Overall, the analysis underscores that the primary problem lies not in the system's capacity but rather in the quality of the initial documentation submitted.

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt

7. Deep Dive: Land Management Division - The Strategic Enabler

7.1. Mandate and Core Functions

The Land Management Department holds a pivotal role in the governance and stewardship of state land, a finite and invaluable resource. Its core mandate encompasses several critical functions aimed at ensuring the effective and equitable use of this land to align with national priorities.

By establishing clear policies and guidelines, the LMD safeguards against misuse or misallocation, creating a transparent framework that encourages investment and optimizes land use. Furthermore, the LMD is dedicated to serving the public interest through sustainable and equitable land management practices. This commitment involves considering environmental impacts, community needs, and social justice when making land allocation decisions. Ultimately, the LMD's strategic oversight of state land is vital for balancing economic development with social and environmental considerations, making it an indispensable entity in the broader framework of land governance and policy implementation.

7.2. Analysis of Core Activities: Leasing, Exchange, and Allocation

LMD's workload is specialized and policy-driven, with approximately 1,377 transactions across its four main sections.
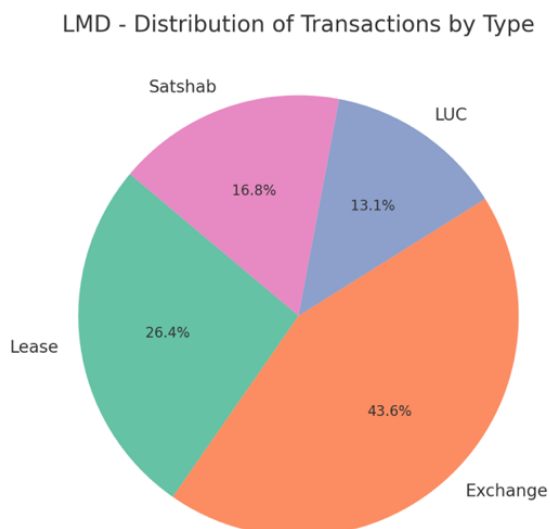
LMD - Distribution of Transactions by Type

Figure 8: LMD- Distribution of Transactions by Type

- **Land Lease (364 leases issued):** LMD facilitated the leasing of 1,177 acres of State land, primarily for business activities (e.g., manufacturing, infrastructure), commercial agriculture, and mining. This directly contributes to economic diversification and job creation.
- **Land Exchange (600 approvals):** This mechanism allows private landowners to exchange their land (e.g., if it's affected by a natural disaster) for State land. Trashigang (166 cases) was the most active Dzongkhag, indicating a high demand for land regularization.
- **Satshab (232 cases):** This involves providing land substitutes or compensation for private land acquired for public purposes. The high number of cases in Samtse (195 cases, or 84%) is a strong indicator of large-scale settlement or development projects in that region.
- **Land Use Certificate (LUC) (181 approvals):** LUCs grant user rights over State land to government institutions and, in exceptional cases, individuals. This ensures that vacant State land is put to productive use.

7.3. LMD as an Innovation Hub for National Development

Beyond its transactional duties, LMD is actively driving strategic reforms:

- **Land Bank Management System (LBMS):** LMD is spearheading the development of this digital platform to create a comprehensive inventory of State land. The goal is to move from reactive allocation to proactive, strategic management, ensuring land is directed to its "highest and best use."
- **Policy Reforms:** The division is leading the revision of the State Land Leasing and Exchange policies. These reforms aim to align land allocation with national economic priorities, enhance transparency, and ensure sustainability.
- **Remote Monitoring:** A pilot project to monitor LUC land use remotely using GIS tools is underway. This innovative approach will improve compliance and reduce the need for costly field inspections.

8. Synthesis: Cross-Cutting Themes & Institutional Challenges

8.1. The Challenge of Workload Imbalance

The Urban Land Division and Rural Land Division exhibit a pronounced disparity in transaction volumes, largely driven by the differing levels of activity in the land markets of urban and rural areas. The RLD manages a workload nearly ten times greater than that of the ULD, reflecting the higher demand for land transactions in rural settings. Despite both divisions having adequate staffing to handle their respective

"In pursuit of effective and efficient land governance"

transactions, the sheer volume of activity in the RLD necessitates a different approach to process design and technology utilization.

This imbalance highlights the need for tailored strategies that recognize the unique characteristics of each land market. While the ULD benefits from efficient, streamlined processes suited to its lower transaction volume, the RLD requires more robust systems to accommodate its high-volume workload. By focusing on enhancing technology and refining processes specifically for the RLD, the organization can improve efficiency and service delivery, ensuring that the needs of both urban and rural communities are met effectively. Addressing this challenge is essential for achieving a balanced and responsive land management system that supports the dynamic nature of land markets in both settings.

8.2. The System-Wide Quality Control Gap

The ULD's 34% rejection rate is the most visible symptom of a deeper, system-wide problem: the quality of applications submitted by citizens. This "front-end" issue creates inefficiencies across the board, wasting the time of citizens, local government officials, and ULD staff. It points to a need for better guidance, simpler procedures, and more robust pre-verification checks.

8.3. Data Integrity and the Need for Robust Systems

The RLD's discovery of the flawed TAT calculation is a critical finding. It highlights the risk of relying on automated systems without continuous validation. Accurate data is the bedrock of good governance, and this incident underscores the need to invest in improving the logic, reliability, and transparency of all reporting systems.

8.4. Pervasive Capacity Variation Across Dzongkhags

Performance is not uniform across the country. The charts for both RLD's TAT and ULD's rejection rates show a wide variance between Dzongkhags. Some Dzongkhags perform exceptionally well, while others lag significantly, even with lower workloads. This points to inconsistent capacity, knowledge gaps, or procedural confusion that must be addressed through targeted interventions.

9. Strategic Recommendations for a Future-Ready DoLAM

To build on its successes and address its challenges, DoLAM should pursue the following strategic recommendations:

"In pursuit of effective and efficient land governance"

9.1. Recommendation 1: Enhance Digital Infrastructure for Accuracy and Efficiency

Why: To fix data integrity issues and prevent application errors at the source.

How:

- **Implement a Unified TAT Model:** Standardize the corrected hybrid TAT calculation logic across all divisions to ensure performance metrics are accurate and comparable.
- **Deploy Digital Pre-Verification Checklists:** Integrate smart, interactive checklists into the e-Sakor portal. The system should prevent users from submitting an application until all mandatory documents are uploaded and key information is entered, directly tackling the main cause of ULD rejections.
- **Develop a Real-Time Management Dashboard:** Create a unified dashboard for senior management, providing a live overview of key metrics (volume, TAT, rejection rates) from all divisions and Dzongkhags for better strategic oversight.

9.2. Recommendation 2: Launch Targeted Capacity Building Programs

Why: To close the performance gap between Dzongkhags/Thromdes and ensure consistent, high-quality service nationwide.

How:

- **Create a Rejection Rate "Red Team":** Deploy a specialized team to work directly with officials in Dzongkhags with rejection rates over 40% (e.g., Zhemgang, Dagana, Paro) to provide intensive training and process support.
- **Support Low-Volume, High-TAT Dzongkhags:** Conduct a thorough procedural review in Dzongkhags to identify and resolve the bottlenecks causing long delays.

9.3. Recommendation 3: Optimize Resource Allocation Based on Workload

Why: To ensure that staffing and resources are aligned with actual service demand.

How:

- **Conduct a Formal Workload Analysis:** Commission a study to analyze the transaction volumes and complexity in high-volume Dzongkhags to determine

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt

if additional staffing or resources are required to maintain service quality and prevent burnout.

9.4. Recommendation 4: Strengthen Citizen-Facing Processes and Communication

Why: To empower citizens to submit complete and accurate applications the first time.

How:

- **Develop User-Friendly Guides:** Create simple, visual, step-by-step guides (in both Dzongkha and English) for the most common transaction types and make them easily accessible online and in local government offices.
- **Sensitize Standard Operating Procedures (SOPs):** Expedite the approval and rollout of clear, consistent SOPs for all transaction types to ensure that officials and citizens are working from the same set of rules.

10. Conclusion

The 2024-2025 fiscal year has been a defining period for the Department of Land Administration and Management. It was a year of immense pressure, marked by a historic surge in transaction volume, but also a year of significant achievement. The department proved its ability to manage unprecedented scale, with the Rural Land Division improving its efficiency under pressure and the Urban Land Division delivering services with remarkable speed. The Land Management Division, meanwhile, has laid the groundwork for a more strategic, innovation-led approach to managing State land.

However, the year's performance also brought critical challenges into sharp focus. The paradox of the ULD's speed and its high rejection rate, coupled with data integrity concerns and wide variations in regional capacity, reveals a system that is not yet firing on all cylinders.

The path forward is clear. DoLAM must now transition from a focus on pure processing to a holistic pursuit of quality, consistency, and citizen-centricity. By investing in smarter digital tools, targeted capacity building, and clearer communication, the department can address its systemic weaknesses and build on its considerable strengths. In doing so, it will not only enhance its own efficiency but will also strengthen the foundation of a transparent, reliable, and equitable land governance system that is truly fit for Bhutan's future.

11. Reference (List)

- RLD Annual Land Transaction statistics report (FY 2024-2025)
- ULD Annual Land Transaction statistics report (FY 2024-2025)
- LMD Annual Land Transaction statistics report (FY 2024-2025)
- DoLAM Consolidated Annual performance report (FY 2021-2022)
- DoLAM Consolidated Annual performance report (FY 2022-2023)
- DoLAM Consolidated Annual performance report (FY 2023-2024)

"In pursuit of effective and efficient land governance"

www.nlcs.gov.bt