

## GELEPHU MINDFULNESS CITY AND BEYOND: INDIA BHUTAN ECONOMIC SYNERGY IN 2025.

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### **Abstract:**

*The Gelephu Mindfulness City (GMC) Project of Bhutan is an innovative urban developmental project. It symbolises a transformative moment in Bhutan's development trajectory and the broader India–Bhutan partnership. Visualised by King Jigme Khesar Namgyel Wangchuck, the proposed 1,000 sq. km ambitious city project is in the Sarpang district of southern Bhutan. GMC aims to diversify Bhutan's economy beyond hydropower while preserving its cultural and ecological integrity.*

*For India, the project provides an opportunity to increase economic synergy through connectivity, digital integration, energy cooperation, and human capital development. This project intends to bring better connectivity through the Kokrajhar - Gelephu rail link, improved cross-border trade, expansion of India's UPI and RuPay payment systems, and collaboration in renewable energy and sustainable infrastructure. Beyond Gelephu, this initiative also reflects a wider convergence in trade, tourism, digital economy, and regional connectivity under India's Act East Policy.*

*This paper highlights that GMC is not just an urban development plan but a symbol of people-centric, mindfulness and sustainability. It focuses on how India and Bhutan jointly craft a model of growth that balances prosperity with cultural values and ecological stewardship.*

**Keywords:** *Gelephu Mindfulness City; India–Bhutan Relations; Economic Synergy; Connectivity; Sustainable Development.*

## Introduction

Gelephu Mindfulness City (GMC) marks a milestone in Bhutan's development journey. The project is not just another urbanisation project, it seeks to embody 'mindful capitalism' and integrate Bhutan's guiding philosophy of Gross National Happiness (GNH) into economic growth, sustainability and regional connectivity. For India, as the biggest Bhutan's neighbour, key development partner, and largest trading partner, Gelephu offers both strategic opportunities and responsibilities. As we step into 2025, the GMC is no longer merely a concept; its contours are becoming visible, its implications now spread across sectors, borders, and policy spheres.

This article explores how GMC fits into long-term India-Bhutan partnership, examines its potential economic, social and environmental impacts, analyses current challenges, and lays out a forward-looking roadmap for synergy in 2025 and beyond.

## India-Bhutan: Historical Background & Existing Economic Linkages

To understand Gelephu's significance, one must also see the strong economic, cultural, and political foundations that has already existed between India and Bhutan.

### Political Trust, Shared Values

Bhutan and India share a long history of amicable relations. Since India's independence, the two nations have forged strong bonds through the treaty of Friendship and Cooperation that has fostered mutual diplomatic support, cultural connections, and collaborative development efforts, proving beneficial for both sides. Bhutan has often viewed India as its primary developmental partner; India, in turn, values Bhutan both in strategic terms (for border stability and regional balance) and as a friend in its "Neighbourhood First" policy. The shared values like environment conservation, hydropower generation, good governance, Buddhism have elevated the relationship to more than transactional bilateral relationship.

### Economic Exchange: Trade, Aid, and Investment

Trade between India and Bhutan has grown significantly over the past decades. The bilateral trade rose from about US\$484 million in 2014-15 to US\$1.6 billion in 2022-23, with India accounting for some 73% of Bhutan's total trade.<sup>1</sup> India's exports to Bhutan include petroleum products, food grains (rice, maize), wood charcoal, iron and steel structures, electronics among others. Bhutan's exports to India are dominated by hydropower, various minerals and forest products. India also provides substantial external aid and grants; in the fiscal allocation for 2025-26, Bhutan receives ₹2,150 crore from India's external aid package which is the largest single share among neighbouring countries.<sup>2</sup>

The hydropower sector is perhaps the strongest example of economic linkage. Bhutan has built several large hydropower projects in collaboration with India, exporting much of the electricity generated. These projects are central to Bhutan's revenue, foreign exchange earnings and employment. Upcoming different projects are set to add to this capacity.

### Bhutan's Development Philosophy: Gross National Happiness (GNH)

Bhutan does not, as a matter of state policy, measure success only by GDP. Since the 1970s, GNH has been its guiding development philosophy. Bhutan's GDP has four major thrust areas, these are - i) Fair and sustainable socio-economic development, ii) Conservation and promotion of a vibrant culture, iii) Environmental protection and iv) Good governance. These areas are further broken into *nine domains*: psychological well-being; living standard; health; education; culture; community vitality; good governance; balanced time use; and ecological resilience/integration.<sup>3</sup>

Thus, any major project like Gelephu must be assessed not just for economic returns or material profits but for alignment with the national philosophy of GNH. This may be complicated, but, if achieved, it will greatly enrich the possibilities and success of the project to a new height.

### Gelephu Mindfulness City: Concept, Vision, and Immediate Drivers

With GMC, Bhutan is pushing forward with an ambitious template of mindful development. Let us map its vision, design, and early concrete drivers as of 2025.

### The Concept and Scope

GMC is to be built in the Sarpang district of southern Bhutan, near the border with India. It will cover about 2,500-2,600 square kilometres, roughly 2.5% of Bhutan's land area.<sup>4</sup> GMC will be a Special Administrative Region, having its own set of rulebooks different from rest of the country. The administrative system of Singapore will be adopted for the GMC. Ben Gaw, the managing director of legal affairs for GMC, stated that while the core legal structure will draw from Singaporean law, the GMC will also incorporate international best practices to create a comprehensive system.

Core values of GMC include sustainability, environmental preservation, spiritual and cultural grounding, mindfulness, wellness, low environmental impact. The city is supposed to be carbon-negative. Green transportation (walking, cycling), green energy, green tech, local materials, spiritual and wellness centers are integrated into the design. Inhabitable bridges at various river crossing point and the Sankosh Temple-Dam are also part of the engineering marvel of GMC.<sup>5</sup>

The GMC has seven core economic clusters - education, finance, green energy & technology, health and wellness, spirituality, agri-tech & forestry, and airport economy. These clusters are intended to work in an integrated way.<sup>6</sup> Gelephu will be positioned as a knowledge hub having centres for research in happiness studies, mindfulness, and green technologies under the leadership of Arun Kapur, who had spearheaded the creation of the Druk Gyalpo's Institute (DGI)

in Paro, Bhutan. GMC also provides investment opportunities and wealth management services, connecting clients to the economies of the neighbouring China, India, and Bangladesh. The project plans to harness renewable energy sources: hydro, solar, possibly wind, to ensure the project's "green" credentials. Given Bhutan's hydropower experience, this is foundational.<sup>7</sup> Streets within the city will utilise permeable materials to allow rainwater to percolate into the ground water to reduce strain on the sewage system. Construction sites will use locally available materials like wood, stone, and bamboo, drawing inspiration from vernacular elements such as rabsel, cornices, ornaments, and roof designs.<sup>8</sup> A Vajrayana spiritual center offering glimpses into the daily lives of monks and mindfulness masters; a healthcare hub integrating Eastern and Western medical traditions; a university highlighting academic innovation; a hydroponic and aquaponic greenhouse that bridges ancient farming wisdom with modern agro-science; a cultural center introducing visitors to Bhutanese heritage and customs; and a vibrant market showcasing traditional Bhutanese textiles are some other interesting features that are integrated into the masterplan of GMC.

Exciting key infrastructure and connectivity plans within GMC also includes planned worldclass international airport which will be looked after by Seow Hiang Lee, former CEO of Changi Airport Group which has been awarded the World's Best Airport on multiple occasions.<sup>9</sup> Other plans on better connectivity include extending roads and railway from Kokrajhar in Assam to Gelephu. This proposed 69 kilometres railway line in the border will be Bhutan's first-ever railway entry point.<sup>10</sup>

The GMC project also plans to harness renewable energy sources: hydro, solar, possibly wind, to ensure the project's "green" credentials. Given Bhutan's hydropower experience, this is foundational.<sup>11</sup> An inhabitable bridge, also a hydroelectric dam will be built on the city's western border. It will feature a step-well retaining wall with viewpoints, meditative staircases, and the Sankosh Temple Dam. The temple will symbolize the harmony between culture and nature, reflecting Bhutan's rich heritage and its vision for the future.

GMC will be developed in phases, over a period of possibly two decades for full build-out.<sup>12</sup> The architectural and urban design of Gelephu Mindfulness City is spearheaded by the globally renowned Bjarke Ingels Group (BIG), in partnership with other private players.<sup>13</sup>

### **India's Stakes, Opportunities & Contributions in 2025**

India stands to gain from the development of GMC in multiple dimensions. Here are some of the key opportunities and how India is already positioning itself.

#### **Strategic and Regional Connectivity Gains**

**Assam & Northeast India:** Gelephu is closer to parts of Assam and Northeast India than many other urban centres in Bhutan. Improved connectivity (roads and rail) will allow Indian border-district economies to integrate more closely with Bhutan's new hub. Assam officials have already voiced interest, seeing Gelephu as a gateway for trade, tourism, and people movement (*Thakuria, 2025*). With the materialisation of the project, there could be potential economic spillover and job creation in the neighbouring areas. Assam could see job growth in logistics, hospitality, handicraft supply, and other support services.<sup>14</sup> Assam is also exploring setting up its SEZ to leverage investment flowing into GMC. For example, the Jogighopa logistics park, about 90 km from Gelephu, is expected to serve as a nearby industrial hub tied to GMC's growth.<sup>15</sup>

**Corridor to Southeast Asia:** With India's Act East policy for greater connectivity across the littoral countries of Bay of Bengal and South-East Asian countries, Bhutan can play a role as a trans-Himalayan node. Gelephu could serve as a logistical node for goods and services moving between South Asia and Southeast Asia. A new trans-border railway line from India to GMC will connect to a dry port facility in Gelephu is being developed to handle cargo and boost bilateral trade. This railway line will link southern parts of Bhutan with the Indian rail network, thereby downplaying the limitations faced by Bhutan for being a landlocked country.<sup>16</sup>

#### **Economic & Investment Opportunities**

**Infrastructure & Construction:** While raw materials were intended to be sourced locally, not all can be supplied within the region. India can contribute by providing construction materials, engineering expertise, and labour. Developing infrastructure such as roads, bridges, airports, housing, and health and educational campuses will inevitably rely on Indian expertise, supply chains, and capital to some extent. As Bhutan expands its energy mix (beyond hydropower), Indian firms with solar, wind, grid, and battery storage expertise may find opportunity.

**Skill Development / Education:** With the education cluster in GMC, Indian universities and technical institutes can partner, provide faculties, offer dual degrees, etc. There is scope for educational exchange and possibly new campuses in GMC. India can serve as a platform for international collaboration with global universities and think tanks, aligning with the city's academic ambitions.

**Manufacturing & Agro-Processing:** Indian companies can leverage lower land cost in Gelephu, favorable regulations, possibly the SAR's investment incentives, to set up clean manufacturing, food processing, cold chains. Also, Bhutanese agricultural produce and forest products could find stronger markets in India via Gelephu.

#### **Financial & Aid Support**

As of 2025, Bhutan remains the largest recipient of India's foreign aid, with India pledging \$1.2 billion for Bhutan's 13th Five-Year Plan (2024–2029). This builds on a long history of comprehensive financial and developmental assistance that spans over six decades. To aid Gelephu project and other developmental works, India doubles its assistance to Bhutan to ₹10,000 crore for the next five years. Indian external aid continues to be significant: ₹2,150 crore for Bhutan in 2025-26.

The financial aid from India is expected to support infrastructure, capacity-building, and cross-border connectivity.<sup>17</sup> Indian public and private investment (FDI) already dominate many sectors in Bhutan; increasing FDI directed to Gelephu is logical extension.

### **Soft Power, Culture, Tourism**

Gelephu Mindfulness City's design emphasizes wellness, spirituality, and cultural tourism as its core pillars. India stands to gain significantly from the resulting economic and cultural spillovers. The development is likely to stimulate greater cross-border tourism flows, attracting Indian travelers seeking holistic wellness, meditation, and spiritual renewal in Bhutan. It may also encourage reciprocal visits, with Bhutanese tourists exploring India's own rich spiritual and cultural destinations.

Furthermore, the project opens up opportunities for cross-border spiritual and cultural pilgrimages, strengthening people-to-people ties rooted in shared Buddhist and Himalayan traditions. The wellness travel segment, which is rapidly expanding globally, could become a major driver of collaboration between the two countries.

Indian enterprises in tourism, hospitality, healthcare, yoga, and wellness could benefit by forming partnerships with Bhutanese counterparts or by investing directly in facilities, services, and training initiatives in and around Gelephu. Joint ventures in eco-tourism, sustainable infrastructure, and cultural promotion could also emerge, fostering a mutually beneficial synergy that aligns with both nations' focus on sustainable and mindful development.

### **Beyond Gelephu: Amplifying India-Bhutan Economic Synergy in Other Sectors**

While Gelephu Mindfulness City represents a potentially transformational initiative, the synergy between India and Bhutan already extends well beyond this project, encompassing a wide range of sectors. Over the decades, the two nations have built a robust foundation of cooperation rooted in mutual trust, cultural affinity, and geographical proximity. In 2025, there is scope to deepen cooperation in:

#### **Hydropower & Energy Trading**

Energy collaboration remains a key pillar, with hydropower continuing to be a cornerstone of Bhutan's economy and a source of clean energy for India. The revenue from sales of electricity to India is critical for Bhutan's foreign exchange and public finances. A strengthened and reliable energy infrastructure including modernized transmission lines, smart grids, and resilient cross-border energy networks will be essential to fully realize the potential of India-Bhutan cooperation and projects like the Gelephu Mindfulness City. Upgrading existing transmission lines, establishing new high-capacity corridors, and integrating renewable sources such as solar and wind can help diversify the energy mix and enhance grid stability.

In addition, investment in advanced grid technologies, digital monitoring systems, and climate-resilient infrastructure will be vital to minimize transmission losses and prevent disruptions caused by natural disasters or seasonal variations. Strengthening the regional power grid could also support the creation of a broader subregional energy market involving India, Bhutan, Nepal, and Bangladesh, aligning with the vision of South Asian energy cooperation.

For Gelephu and other emerging Bhutanese urban hubs, reliable energy infrastructure will underpin industrial activity, tourism facilities, and digital connectivity, all of which depend on uninterrupted power supply. Thus, reinforcing the energy backbone not only sustains Bhutan's development ambitions but also deepens India-Bhutan economic interdependence, promoting long-term regional stability and prosperity

#### **Agriculture and Food Security**

Indian supplies of fertilizers, seeds, and agricultural machinery play a crucial role in supporting Bhutan's agriculture, which remains a key pillar of rural livelihoods and food security. India's technological and logistical assistance helps enhance productivity, improve soil health, and modernize Bhutan's farming practices. For instance, in August 2025, India and Bhutan signed a Memorandum of Understanding (MoU) to strengthen cooperation in agriculture and allied sectors, including livestock health, post-harvest management, and value chain development.<sup>18</sup> Additionally, a five-year agreement between India's Brahmaputra Valley Fertilizer Corporation Limited (BVFCL) and Bhutan's National Seed Centre ensures the annual import of 5,000 metric tons of fertilizers, enhancing access to essential agricultural inputs.<sup>19</sup> These initiatives underscore the importance of bilateral collaboration in addressing Bhutan's agricultural challenges and promoting food security.

This cooperation in agriculture and food represents more than just trade; it reflects the spirit of self-reliance through regional collaboration. India's expertise in agri-innovation, farm mechanization, irrigation systems, and sustainable resource management can complement Bhutan's emphasis on organic and environmentally responsible farming. Joint training, research, and demonstration projects could help farmers in both countries adopt climate-resilient practices suited to Himalayan ecosystems. Bhutan's unique agricultural and forest resources open new opportunities for mutually beneficial trade. Bhutan produces only a fraction of the food it consumes (especially rice), and the rest is imported, mainly from India. Any policy change in India (e.g. export ban) can ripple into Bhutan's food security. In this context, cooperation with India through technical assistance, fertilizer supply, and seed development becomes critical in supporting Bhutan's food security and stabilizing agricultural production.

**Digital Economy, Technology & Innovation** India and Bhutan have steadily deepened their cooperation in the fields of digital economy, technology, and innovation, reflecting their shared vision for inclusive and sustainable development. India has been a key partner in Bhutan's flagship Digital Drukgyul programme (2019–2023), providing around Nu 1.98

billion (approximately ₹198 crore) to strengthen Bhutan's e-governance, digital identity systems, ICT infrastructure, and online service delivery.<sup>20</sup> Under this initiative, Bhutan has developed an integrated citizen services portal, an e-business single window for trade, and an extensive optical fibre network connecting all 20 districts. India's National Knowledge Network (NKN) has been linked with Bhutan's Druk Research and Education Network (DrukREN), enabling real-time collaboration in education, research, and telemedicine.<sup>21</sup> Additionally, India has supported Bhutan in establishing a third international internet gateway, improving connectivity, bandwidth, and redundancy across the country.<sup>22</sup>

Financial and technological collaboration has also grown through the introduction of RuPay cards and the BHIM-UPI system, allowing seamless cross-border digital payments and promoting cashless transactions. In the education sector, projects such as the e-Library initiative have expanded digital learning opportunities for Bhutanese students. These efforts align with Bhutan's "Digital Strategy: Intelligent Bhutan," aimed at fostering innovation, e-commerce, and a robust ICT ecosystem.<sup>23</sup> However, challenges remain in achieving full digital inclusion due to infrastructure gaps, cybersecurity risks, and the need for greater digital literacy.

Bhutan has taken steps toward digital transformation in e-commerce policy, tech parks, etc.<sup>24</sup> Overall, the India-Bhutan partnership in technology and innovation is helping bridge the digital divide, improve governance, and empower citizens through connectivity and skills development. As both nations continue to collaborate in areas like fintech, artificial intelligence, and green technologies, this partnership holds immense promise for advancing regional integration and sustainable growth.

### **Trade & Regulatory Mechanisms**

India and Bhutan maintain a conventionally strong trade framework through the Agreement on Trade, Commerce and Transit (originally signed in 1972; latest renewal effective from 2016) which assures free trade (no import duties between the two) and duty-free transit rights for Bhutan's goods going to third countries.<sup>25</sup>

In April 2025, during the 6th Joint Group of Customs (JGC) meeting in Thimphu, both countries agreed to streamline customs procedures via *digitisation of transit processes, pre-arrival data sharing, Electronic Cargo Tracking System (ECTS), Coordinated Border Management*, among other trade facilitation measures.<sup>26</sup>

There is a recent regulatory change in October 2025, that is, the DGFT (Directorate General of Foreign Trade, India) exempted a wide range of agricultural commodities (rice, wheat, sugar, edible oils, lentils, etc.) from export restrictions / prohibitions when destined for Bhutan. This amendment under the Foreign Trade Policy 2023 aims to ensure reliable food supply and strengthen the special neighbourly relationship.<sup>27</sup>

In another development in June 2025, India has updated its import guidelines for food products from Bhutan under the FSSAI-BFDA agreement. According to the guideline, customs authorities are to verify Bhutanese consignments using an updated list of BFDA-approved food establishments. This helps in faster clearance and reduces regulatory friction for compliant food businesses.<sup>28</sup>

### **Human Capital, Education, Skills**

India and Bhutan have long-standing ties in education, skills development, and human capital building. India provides over 1,000 scholarships annually to Bhutanese students across disciplines like medicine, engineering, humanities, via schemes such as the Ambassador's Scholarship, Nehru-Wangchuck Scholarship, ICCR scholarships, AYUSH, SAARC programmes, and seats in IITs etc.<sup>29</sup> Around 4,000 Bhutanese undergraduates are self-financing their study in Indian institutions.<sup>30</sup> India also supports teacher training and school improvement under Project-Tied Assistance (PTA) in Bhutan, such as "Professional Development of Teachers" across districts, and establishing centers of excellence in multiple schools. In infrastructure, India funds and helps build boarding primary schools in remote Dzongkhags to improve access for children, especially from remote or nomadic communities.<sup>31</sup> A recent example is the India-Bhutan Friendship Scholarship for M.Tech at IIT Kanpur, which exempts Bhutanese applicants from the GATE exam and supports three engineers per batch.<sup>32</sup>

However, Bhutan's youth unemployment and brain drain continue to pose serious socio-economic challenges, with many young people seeking education and jobs abroad due to limited domestic opportunities. The development of Gelephu Mindfulness City and other emerging investment zones are hope to help reverse this trend by creating new avenues for meaningful employment within the country.

### **Sustainability, Shared Values & Challenges**

India and Bhutan share strong values around sustainability, environmental conservation, and a vision of development that balances nature, culture, and wellbeing. Bhutan's commitment to carbon-neutrality (even carbon negativity) and its forest cover clauses in the constitution resonate with India's growing emphasis on renewable energy, climate action, and ecological protection. Their bilateral cooperation often focuses on joint forest management, wildlife conservation, air quality control, renewable energy (especially hydropower), and transitioning toward greener technologies.<sup>33</sup>

However, there are shared challenges. First, large-scale hydropower projects bring environmental trade-offs like ecosystem disruption, river health, displacement, and downstream impacts.<sup>34</sup> Second, climate change is impacting traditional livelihoods, high-altitude ecosystems (glacial melting, changing wildlife patterns), which threaten both environmental integrity and cultural heritage.<sup>35</sup> There are also governance challenges like ensuring infrastructure, urbanisation or energy production adhering to sustainable practices; balancing economic growth and environmental costs; and data sharing / coordinated regulation across borders.

## **2025: Current Trends, Data & Early Indicators**

As of 2025, certain trends and data provide useful indication of where things are moving and what is feasible for the two countries. India's economy has risen to become the *4th largest economy globally*. For Bhutan, this matters because of trade linkages and the spillover potential from India's growth.<sup>36</sup> The Indian budget 2025-26 has allocated ₹2,150 crore for Bhutan under external aid, the largest recipient of Indian foreign aid outlay.<sup>37</sup> From the India-Bhutan trade statistics, India's exports to Bhutan and imports from Bhutan have fluctuated, but total bilateral trade has been increasing in recent years (though growth is uneven).<sup>38</sup> The agriculture cooperation (fertilizer supply deal) is one example of pragmatic, near-term synergy.<sup>39</sup> On the Gelephu side, there have been high-level visits (Bhutanese King seeking Indian support, both India & Bhutan expressing satisfaction with bilateral relations) and preliminary infrastructure planning.<sup>40</sup>

## **Roadmap for Action: Strategies & Policy Recommendations for 2025-2030**

For India and Bhutan to maximize the benefits of GMC and deepen synergy, several strategic steps will be required. Here are some proposed roadmaps to achieve it-

### **Clear Legislative & Regulatory Framework for GMC**

A clear and comprehensive legislative and regulatory framework is vital for the effective functioning of the Gelephu Mindfulness City (GMC). Bhutan should draft and enact special administrative region (SAR) laws that define taxation regimes, land-use policies, labour standards, investment incentives, and strong environmental safeguards tailored to GMC's unique vision. Such laws must ensure transparent governance while maintaining flexibility to attract responsible investors. Establishing a *single-window approval system* will streamline procedures for foreign and joint ventures, particularly in the seven priority sectors - green energy, technology, wellness, education, logistics, creative industries, and sustainable agriculture, thereby fostering ease of doing business and promoting balanced, mindful development.

### **Strategic Connectivity Projects**

To enhance connectivity and economic integration, priority should be given to the Gelephu-Kokrajhar rail link by securing final approvals, ensuring adequate funding, and implementing construction with the highest quality and safety standards. At the same time, road infrastructure connecting Assam's border districts to the Gelephu Mindfulness City (GMC) must be upgraded into all-weather routes that function as efficient trade and logistics corridors. These should include well-equipped cross-border check-posts with digitised systems for customs, immigration, and security to facilitate smooth movement of goods and people. Additionally, air connectivity should be strengthened by finalizing the Gelephu airport project and ensuring it is equipped with full customs and immigration facilities capable of handling international traffic, positioning GMC as a regional gateway for sustainable commerce and tourism

### **Energy Infrastructure & Sustainability**

To promote sustainable energy development, priority should be given to capacity building in renewable energy, including solar, wind, and potentially biomass, alongside piloting green micro-grids and battery storage systems to enhance local energy resilience. Investments must also focus on transmission lines and grid reliability to prevent blackouts, while exploring cross-border energy trade agreements to optimise regional energy flows. All projects should adhere to rigorous environmental safeguards, including comprehensive impact assessments, protection of forests and water resources, and measures to prevent ecological degradation, ensuring that energy development aligns with Bhutan's commitment to sustainability and long-term environmental stewardship.

### **Skill Development, Education & Local Capacity**

To strengthen skill development, education, and local capacity, partnerships should be forged with Indian universities and technical institutes, including the possibility of establishing satellite campuses within Gelephu Mindfulness City (GMC). Complementing higher education, vocational training programs should be designed to equip the local workforce with practical skills in construction, renewable energy, ecotourism, and hospitality, ensuring that residents can actively participate in and benefit from GMC's economic and sustainable development initiatives.

### **Financial Instruments & Investment Mobilization**

To drive financial mobilization and investment, public-private partnerships (PPPs) should be leveraged to distribute risk and attract private capital. In parallel, impact investments, ESG-focused funds, and green bonds can be mobilized, with GMC already planning a bond issuance to support the initial phases of the project.<sup>41</sup> Additionally, India could consider providing matching grants or soft loans to companies investing in GMC, contingent on meeting defined sustainability and environmental criteria, thereby encouraging responsible investment while ensuring alignment with the city's green and mindful development objectives.

### **Tourism, Culture, Wellness**

The tourism, culture, and wellness strategy should focus on developing unique tourism products centered on mindfulness, wellness, spiritual retreats, and cultural festivals, positioning GMC as a distinctive destination that blends Himalayan serenity with modern wellness experiences. Marketing efforts should highlight this fusion of tradition and innovation to attract global visitors seeking holistic well-being. At the same time, tourism development must remain sustainable, with measures such as visitor caps, pricing that reflects environmental costs, and strong community participation to ensure that local people benefit economically and culturally while preserving Bhutan's natural and spiritual heritage.

## Governance and Community Engagement

Effective governance, transparency, and community engagement are the essence of any successful project. Local communities should be actively involved in the planning process and in sharing the benefits that arise from development initiatives, ensuring inclusivity and trust. Transparency must be upheld in all aspects, including land acquisitions, environmental impact assessments, and investment agreements, to promote accountability and public confidence. Additionally, robust grievance redressal mechanisms should be established to address community concerns promptly and fairly, reinforcing GMC's commitment to participatory, ethical, and equitable development.

## Monitoring, Metrics, and Adjustments

A strong framework for monitoring and adaptive management of the project is essential to ensure harmony with Bhutan's holistic values. Metrics should be aligned with the principles of Gross National Happiness (as it now has), measuring not only economic performance but also ecological health, social well-being, and community vitality. Continuous monitoring of environmental, social, and cultural impacts will help track progress and identify emerging challenges. Importantly, the planning and implementation process must remain flexible, allowing for timely adjustments whenever negative externalities or unintended consequences are detected, thereby ensuring that development remains sustainable, inclusive, and true to Bhutan's mindful ethos.

## Vision 2030

To make the GMC and India-Bhutan synergy meaningful by 2030, here are some features one might expect- Operational airport in Gelephu with regular flights connecting to major Indian cities and possibly further to other countries, making it a regional hubs; Gelephu-Kokrajhar rail link and upgraded highways fully functional, smoothing trade and passenger movement; Significant investment in green energy: new solar plants, battery storage, and a small-scale wind projects; Bhutan exporting energy, India helping in investment and transmission; Active clusters: education hub with at least one international university, hospital / wellness centre complex, tech innovation center, agri-tech and forestry cluster operating, with exports; Tourism growth balanced: wellness retreats, spiritual tourism, cultural festivals, eco-tourism; Local economic upliftment: southern Bhutan communities see improved incomes; Assam border districts see spillovers from trade, transport jobs, tourism; Measurable progress in GNH and related indicators: ecological footprint per capita falls, community vitality improves, well-being surveys show higher satisfaction, youth employment improves, migration declines.

## Conclusion

Gelephu Mindfulness City is more than infrastructure. It symbolizes Bhutan's evolving approach to modernization, one that is rooted not just in economic growth but in well-being, sustainability, and mindful coexistence. For India, being a partner in this journey offers opportunities not only for trade, investment, and connectivity but for building a regional model that balances growth with values.

Currently, several key activities are currently underway to advance the GMC project. Major infrastructure developments include plans to upgrade the Gelephu International Airport to handle larger aircraft and provide round-the-clock international connectivity, while new road and rail links with India are being designed to enhance cross-border trade and movement. On the social front, a large-scale community and volunteer program engaged thousands of participants nationwide in developing public spaces, parks, and beautification projects, fostering civic pride and collective ownership. In terms of project financing, the GMC bond issue received overwhelming investor interest, exceeding its initial target and prompting an extension of the subscription window. Meanwhile, design and planning efforts continue to emphasize sustainability, preserving at least 60% forest cover, relying on renewable energy sources, and integrating natural flood control systems to ensure that Gelephu evolves as a resilient, green, and mindful urban model. The coming years will determine whether these translate into transformational outcomes.

If both nations – India and Bhutan sustain the political will and investment, Gelephu could become a beacon: of mindful development, of cross-border economic synergy, of how small states and large neighbours can co-create prosperity without compromising values. For India and Bhutan, the path forward is challenging but full of promise.

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