

## Statement by Austria

### Twelfth Round Table Meeting (RTM) of Bhutan's Development Partners

Thimphu, 11-12 December 2013

At the outset, I would like to thank the Royal Government of Bhutan for convening this 12<sup>th</sup> Round Table Meeting. It is an important forum to take stock of past achievements and future challenges of Bhutan in pursuing its development goals under the 11<sup>th</sup> Five Year Plan. It is also an appreciated opportunity for discussion and coordination between the Royal Government of Bhutan and the International Donor Community.

**Austria and Bhutan** look back to a long-standing partnership: 2014 we will celebrate the 25<sup>th</sup> anniversary of diplomatic relations and development cooperation. We are very proud about this excellent cooperation and we congratulate Bhutan for significant achievements made during this time. **Austria is ready to continue this fruitful partnership during the coming 5 Year Plan Period**, through **continued bilateral assistance** as well as through **increased funding via the European Union** and **continued funding via International Organizations**.

A final **Bhutan Country strategy 2014-2018** is currently under preparation, laying out Austria's bilateral assistance in the sectors of **Tourism, Energy, and Governance** with a gradual phasing out during the last two years of this period. The indicative budget for the bilateral development cooperation amounts to at least 10 million Euros.

#### I. Poverty eradication under the 11<sup>th</sup> Plan

Bhutan's achievements in curbing poverty under the 10<sup>th</sup> Plan were very impressive. We encourage the Royal Government of Bhutan in tackling multidimensional poverty under the 11<sup>th</sup> Plan with even more comprehensive efforts.

We especially like to commend the Royal Government of Bhutan for the endeavours of developing a **comprehensive Results Based Planning framework** through a process of extensive consultation involving all relevant stakeholders, both at the central and local levels. However, while the 11<sup>th</sup> plan is well defined and comprehensive, we hope that it will be accompanied by a well-elaborated implementation plan, decisive enforcement of policies, close monitoring and a pertinent human resources development plan at all implementation levels in order to successfully yield tangible results.

#### II. Tourism:

We believe that sustainable and high-quality **tourism** has a high potential for revenue generation and employment and can thus be one of the major contributors to poverty reduction also in rural areas. In line with the priority given to tourism in the 11th plan, Austria will continue to support capacity development in the tourism sector especially by training young professionals at the Royal Institute for Tourism and Hospitality. We are looking forward to rapid decisions on the institutional setup of RITH to assure high quality and sustainability of this institute.

#### III. Energy:

Similarly, **providing** safe, reliable and affordable **electric energy** is instrumental in addressing both income and multi-dimensional poverty reductions. In the 11th plan the Energy sector is considered the lynchpin of the economy. Austria's assistance in providing electricity to far flung remote rural areas will continue (Soe and Lingzhi) in the 11<sup>th</sup> plan. On the other hand, we would like to encourage the Royal

Government of Bhutan to make **more efforts in promoting energy efficiency** both in private households as well as in industries.

Its unique culture and the beautiful nature are among Bhutan's greatest assets. We recognize that both Tourism Development and Hydropower development may have repercussions on the pristine environment in Bhutan. We are aware that balancing development efforts and conservation of the environment requires careful decisions and even prudent trade-offs. Although the conservation of the environment is an integral part of the GNH philosophy and the development strategy of Bhutan, there are huge challenges lying ahead to ensure that socio-economic development efforts are not at the cost of the natural environment.

Austria greatly appreciates the environment policy of Bhutan and would like to fully support the initiative of 11<sup>th</sup> plan objective of a **Green** Socio-Economic Development by exploring opportunities of resource and energy efficient construction technologies and strengthening capacities of the National Environment Commission with regard to the preservation of aquatic systems in Bhutan.

#### **IV. Democracy and Good Governance:**

We would like to congratulate the Bhutanese people for their democratic engagement during the **2nd general elections** which took place in July this year. The participation of 4 political parties, the peaceful manner, in which the elections were conducted and the smooth transfer of political power as a result of the elections are a clear indication of an emerging vibrant democratic society.

We note, however, that very **few women** are **represented** in the new parliament. We thus very much appreciate the intention of Royal Government of Bhutan to adopt policies to increase the representation of women on both a political as well as the administrative level. We are convinced that Bhutan will stand a better chance to negotiate the challenges of the 21<sup>st</sup> century successfully, if it can draw on the combined resources of women and men.

The last years have seen an **impressive performance of constitutional democratic institutions** in strengthening the rule of law, controlling corruption, and increasing transparency and accountability. In particular, we would like to commend the **Anti-Corruption Commission** for its outstanding performance in curbing corruption and strengthening integrity.

In the same way the **Royal Audit Authority** has given an outstanding performance in ensuring efficiency, transparency and effectiveness in the use of public resources. Austria has had the privilege to assist the Royal Audit Authority through capacity development. Our support will continue until end of 2015 and will focus on further strengthening the quality of audit reports.

We highly value the high standards and efforts of the **Judiciary** of Bhutan in protecting the constitution, rights of citizens and in enforcing the rule of law in the country. Through this, the judiciary has been able to build public confidence and respect. During the 11<sup>th</sup> Five Year Plan period, Austria's assistance will continue in the improvement of the judiciary's infrastructure as well human resources and capacity development. Well-functioning courts are important. However, there is still a dire need to strengthen awareness among people in Bhutan of their legal rights and obligations. In this regard we would like to commend the valuable work of the **Bhutan National Legal Institute** in educating people in the rural communities on relevant laws and for the promotion of alternative dispute resolution.

Austria is also pleased to observe a gradually **increasing number of Civil Society Organisations**. Austria is contributing to the Civil Society Fund Facility which aims at strengthening capacities of the young organisations both in terms of management as well as in carrying out their specific activities. We

are looking forward to see a more active involvement of existing and new civil society organizations in policy debates.

## **V. Outlook**

We would like to thank the Royal Government of Bhutan for the presentation of this very particular 11<sup>th</sup> Five Year Plan that aims to lead Bhutan to self-reliance and the graduation from the list of Least Developed Countries through an inclusive and green socio-economic development.

We are certain that the longstanding friendship between Austria and Bhutan will continue once Bhutan reaches its aim of self-reliance and traditional grant aid is being phased-out. There are still many more opportunities and new cooperation instruments to further strengthen the existing excellent bilateral relationship between our two countries in the areas of research, economy and culture.

We would like to conclude with our thanks for the excellent preparation of this Round Table Meeting and with sincere wishes to the Government and the people of Bhutan for the successful performance of the challenging tasks that lie ahead.

**Thank you and Tashi Delek!**