



Joint UN Statement at the 12th Round Table Meeting, Thimphu, December 12, 2013

Read by Ms. Christina Carlson, UN Resident Coordinator

Your Excellency, Lyonpo Rinzin Dorje, Minister of Foreign Affairs, Co-chair of the RTM

Your Excellency, Mr. Haoliang Xu, UNDP Assistant Administrator and Regional Director for Asia and the Pacific, Chair of the Regional UN Development Group, and Co-chair of the RTM

Excellencies, distinguished participants, ladies and gentlemen

It gives me great pleasure to address the Royal Government of Bhutan and its development partners at this 12th Round Table Meeting. This single joint statement is made on behalf of the 23 UN entities that support Bhutan's development and is a reflection of our continuous efforts to partner with Bhutan in a coherent and effective manner and in the spirit of Delivering as One.

Bhutan has progressed from a low- to a medium- human development country classification with its Human Development Index (HDI) value at 0.536 in 2013¹. The steps this country has taken with support from its development partners in the past few decades and the integration of Millennium Development Goals (MDGs) into Bhutan's Five Year Plans have produced laudable results. Bhutan's concept of Gross National Happiness (GNH) complements the MDGs and promotes a balanced approach to development, encompassing good governance, environment conservation, community vitality and well-being, in addition to the more traditional indicators of socio-economic progress. This development paradigm, prudent economic management and political stability have brought about a significant rise in living standards of the Bhutanese and improvement in development indicators. Real GDP growth in Bhutan over the last decade averaged at least 8% with a high rate of capital formation, which stood at 40.15% in 2011². A firm foundation for reliable data has been laid with the 2005 Population and Housing Census.

Bhutan's sizeable investment in the hydropower sector has played an important role in improving its macro-economic indicators. Political and socio-economic reforms have been underpinned by efforts to

¹ Global Human Development Report, 2013.

² State of the Least Developed Countries 2013: Follow up of the Implementation of the Istanbul Programme of Action for the Least Developed Countries.

further improve governance through greater transparency and accountability. With such significant progress on the economic, social and political fronts, Bhutan now needs to focus on sustaining achievements, and on ensuring that development gains are equitable and benefit all Bhutanese people.

Excellencies, ladies and gentlemen,

Despite the progress Bhutan has made in improving its macro-level indicators, challenges and discrepancies still persist. The 11th Five Year Plan highlights that although overall unemployment is low at 2.1 % in 2012—unemployment rates among youth and women remain comparatively high. Yet, with increasing rural-urban migration, the agricultural labour force is aging and there are shortages of labour in some rural areas. Bhutan continues to be aid dependent, import-driven and highly vulnerable to external shocks. The economy lacks diversification and is predominantly driven by the hydropower sector, which has limited potential for the creation of productive jobs to absorb a growing and an increasingly educated labour force. One of the greatest challenges is to reduce disparities between rural and urban areas and between regions, districts and gewogs, in order to fully achieve the MDGs.

Bhutan's environment remains relatively pristine with about 70 % of land under forest cover. The country's environmental conservation efforts are further reinforced by strong conservation laws and policies. However, population growth, urbanization, industrialization and infrastructure expansion are putting great pressure on the environment. Bhutan is also highly vulnerable to weather and climate change related disasters such as Glacial Lake Outburst Floods (GLOF), flash floods, landslides and drought.

With rapid socio-economic development, urban centres and towns continue to face acute shortages of clean and reliable drinking water and issues of waste water treatment and solid waste management are major concerns from both environment and health perspectives. More needs to be done also to unleash the full potential of local research and development, innovation and creativity by national inventors including through ICT for sustainable development.

Bhutan is also confronted with new social challenges related to urbanization: a burgeoning youth cohort; domestic violence and gender-based violence; suicide; substance abuse; single parent households; abandoned children; senior citizens without adequate family support; and crime.

Malnutrition among children remains a big challenge and is responsible for nearly half of all under-five deaths. Bhutan also continues to be challenged with high maternal mortality and adolescent fertility rates. Attention needs to be paid also to address non-communicable diseases that now account for over two-thirds of the reported disease burden in the country and the implications it has on the health financing system.

Participation of women in decision-making bodies, including in the Parliament and local governments continues to be low. There is also the need to broaden the space and modality for civil society engagement, as they are often key interlocutors in bringing out voices of vulnerable people.

Excellencies, ladies and gentlemen,

To be prepared for the challenges surrounding Bhutan's future transition from Least Developed Country status—described in yesterday's final presentation—the government must plan well in advance. The UN Secretary General, in his report on the implementation of the Istanbul Programme of Action, has highlighted that with its overarching goal to enable graduation, the Istanbul Programme can be seen as a graduation strategy and thus should be mainstreamed it into national development plans, as well as donor strategies. The General Assembly resolution on smooth transition calls for support to be provided for graduating countries by all development partners including the UN. Targeted assistance is needed to support the preparations for a national transition strategy, and countries that have already graduated will be a key resource for information on their experiences as well as lessons learned.

At the same time, let me draw your attention also to the fact that the international development community is now increasingly pressing both beneficiary countries and development partners for more accountability, a greater focus on results, better management of resources, value for money, and transparency in aid flows and allocations. It is critical at this juncture for the country and development partners to avoid fragmentation of support, and intensify our efforts to work towards consolidating our efforts to achieve joint outcomes—including pooling our resources, both financial and technical. Improved multi-sectoral coordination and collaboration should be encouraged by all partners. Multilateral organizations such as the UN provide great opportunities for member states to work together to achieve value for money, leverage specialized expertise, support innovation, and play pivotal

leadership functions. In this regard, the UN stands ready to collaborate with other development partners to jointly support Bhutan through a coherent and coordinated approach to achieving the goals of the 11th FYP.

Excellencies, ladies and gentlemen,

As the UN enters its next 5-year cycle of support to the Royal Government of Bhutan, we will remain engaged in building strong central institutions and well equipped local governments. We will support the government in promoting inclusive economic growth in conducting the 2015 Census, in promoting climate and disaster resilience, in improving access to and availability of weather and climate services, in mobilizing the potential of youth, in leveraging ICT and other new technologies, and in promoting increased access to and usage of essential social services. We will also remain engaged in creating enabling conditions for a food- and nutrition-secure economy, and to protect and empower vulnerable groups—including institutionalizing social protection schemes especially for women and children—and in fostering the emergence of an organized civil society.

Improving data availability and usage for decision making purposes will be a key element running through all UN assistance, as will promoting innovation and creativity, including protection of traditional knowledge and grassroots products.

Excellencies, ladies and gentlemen

As Bhutan prepares for its graduation from LDC status in the coming years, it is important that development partners help to ensure a smooth transition. The UN will work with the Royal Government to provide upstream policy and technical expertise, as the country begins to tackle emerging issues which accompany successful graduation.

Let me end by reaffirming the commitment of the UN system to contribute to the goals of the 11th Plan through the “Delivering as One” approach. We look forward to continue working in partnership with the Royal Government, other development partners, the private sector and civil society. In this I am reminded of an African proverb, “if you want to go fast go alone, if you want to go far go together”.

Thank You and Tashi Delek!