

Bhutan RTM

UN Joint Statement - Support to the Ninth Plan

(Geneva, 19 February 2003)

Your Excellency, Lyonpo Yeshey Zimba, H'rble Minister of Finance
Mr. Hafiz Pasha, Assistant Administrator and Director, RBAP, UNDP
Excellencies, Dashos, Ladies and Gentlemen

The United Nations system congratulates the Royal Government on its excellent Ninth Five-Year Plan, the very informative presentations made, and the general high quality of dialogue.

1. Achievements & Challenges

Bhutan has made great strides recently in the political/governance sphere. The historic devolution of power from the monarch to the elected Council of Ministers and the people, the landmark decentralization legislative that grants far-reaching authority to locally elected representatives, the first adult franchise local elections, the drafting of the first Constitution, and judicial reforms – all represent major achievements for the country along its path of democracy.

In the economic and social spheres, Bhutan has also made great progress and, unlike so many other countries, without sacrificing its natural environment or culture. High levels of economic growth, with increasing national revenues, have enabled the country to meet all of its recurrent expenditures for more than a decade.

Progress in human development is particularly impressive, especially when viewed against the difficulties involved in providing services to a widely dispersed population. Mortality rates have plummeted; primary health coverage has increased to more than 90%; some three-quarters of the rural population now have access to safe drinking water; and gross primary enrollment has grown to 89%. The rapid rise in contraceptive prevalence, the attainment of universal child immunization and the elimination of Iodine Deficiency Disorders (IDD) – the first SAARC country to achieve this -- are truly extraordinary accomplishments. The country is on track to achieving

many of the MDGs and has already achieved the target indicators for safe drinking water and halving the numbers of under-five underweight children.

As Bhutan develops, however, it remains constrained by structural impediments. Rugged terrain and the scattered nature of settlements continue to pose difficulties for the delivery of social services. And a landlocked position makes marketing of rural and other produce very challenging.

Some of Bhutan's emerging challenges today arise directly from its phenomenal development success -- for example, unemployed educated youth and rising urbanization. As modernization and globalisation trends take hold in Bhutan, certain traditional assets may be threatened – the natural environment, hitherto so well protected; the unique culture heritage; the social fabric and value systems – all issues taken up in the Ninth Five Year Plan.

2. Quality of the Ninth Plan

Excellencies, ladies and gentlemen, the foundation of good aid management lies in sound policy/planning frameworks and good governance – both of which Bhutan is well endowed with. The country's Ninth Plan is fundamentally pro-poor, and we commend the Royal Government on its participatory, bottom-up formulation. It articulates convincingly the Royal Government's strategic priorities and embodies well-tested national development practices based on the unique development philosophy of Gross National Happiness. The Plan also breaks new ground with regard to decentralization and governance. These attributes, coupled with recently embraced political and judicial changes, certainly augur well for the future.

More specifically, we fully support the continued high priority placed on human development, especially basic social services, with the largest allocation of the total plan outlay. The United Nations is confident that the Royal Government's concerted efforts to provide basic social services will, as in the past, result in rapid human development gains. This commitment is particularly important during this Ninth Plan because of spiraling costs arising from Bhutan's youthful demographic profile and the challenges of reaching increasingly remote areas.

In addition, we appreciate the Royal Government's prioritization of infrastructure development to increasing rural access, the strong commitment to conserve the natural and cultural environment, and to promote the welfare of women and children -- particularly through continued expansion of girls' enrolment.

Finally, we are very pleased with the Plan's emphasis on private sector development, which is crucial for balancing the sources of growth, for raising internal revenue, creating employment for youth and outsourcing government services. We commend the Royal Government for allocating 50 percent of its human resource development budget to the private sector.

3. Consolidated UN support to the Ninth Plan

The United Nations system assists Bhutan in almost all areas of the Ninth Plan, covering all eight Millennium Development Goals. Not only do we provide our traditional "soft" assistance -- cross-country exchange of knowledge and experience, capacity building, international standards and norms, and so forth, but in Bhutan we are also an important partner in financial terms. In 2001, the latest year for which comprehensive expenditure data is available, we delivered \$10.6 million.

A comprehensive table of United Nations system support to the Royal Government's Ninth Plan has been prepared, covering some 20 UN organisations. May I take this opportunity to inform you that as we speak, far-reaching efforts are afoot to harmonize and simplify the programming, accounting and monitoring/evaluation systems of a large number of these organisation, which will bring enormous efficiency gains to both ourselves and to our programme countries.

I will highlight first the planned support of the UN Country Team -- that is, the UN organizations with representation in Bhutan -- and then that of non-resident UN organisations.

a) United Nations Country Team (UNCT)

The UNCT in Bhutan consists of FAO, UNICEF, UNFPA, WFP, WHO, UNDP, UNCDF and UNV. We have extrapolated our funding over the Ninth Plan period and are pleased to contribute approximately US \$62.7

million. As our resource base is largely dependent on voluntary contributions, these estimates are indicative, based on current trends.

Highlights of our assistance to the Ninth Plan will include:

- Support to primary education, particularly for girls, including: expansion of access, quality of teaching, provision of materials and equipment, school feeding programmes and water supply and sanitation facilities (with UNICEF and WFP taking the lead)
- Support for the prevention and treatment of HIV/AIDS, with UNFPA, WHO, UNICEF and UNDP working together in an integrated plan framework
- Improvement of health systems and reduction of maternal mortality, continued support for the national vaccination programme, public health services, disease control and essential drugs, family planning and addressing micronutrient disorders (with WHO, UNICEF and UNFPA playing lead roles)
- Food quality and security, agricultural development and forestry planning (with FAO in the lead)
- Rural enterprise development, through the development of quality standards and controls, entrepreneurial training, and access to high-niche export markets (with UNDP and SNV taking the lead in a special collaborative arrangement that includes FAO and UNIDO inputs)
- Continued support for the Royal Government's population activities, including reproductive health care and support for the preparation of the national census (with UNFPA in the lead)
- ICT for development (where UNDP and UNV take the lead in close cooperation with Japan)
- Support for the Royal Government's decentralization policy, with UNCDF and UNDP working closely together with SNV and Danida. Assistance also will be provided in the areas of legislation drafting, accountability, transparency and public sector reforms.
- Assistance to environmental planning, national parks conservation, and community participation (with UNDP taking the lead, financed largely by GEF and with partners such as WWF)
- Support for the design and development of Bhutan's national poverty monitoring system and the accompanying data collection, storage and analysis support necessary to service planning and policy-making

functions. Here UNDP and UNICEF are taking the lead, in partnership with others.

Many of these programmes benefit from generous assistance from bilateral partners represented in this room, for which we extend our grateful thanks.

As a complement to several UN programmes, UNV brings the unique message and spirit of volunteerism which, in the case of Bhutan, is embedded in traditional belief systems and community practices, as expressed in the country's unique vision of Gross National Happiness.

b) Non-resident UN System

Non-resident United Nations organizations that provide assistance to Bhutan are of two types: a) funds and programmes -- UNCTAD, UNEP, UN-HABITAT, UNIFEM, and UNODC, and; b) specialized agencies -- IFAD, UNESCO, UNIDO, ITU, UPU, and WIPO

Highlights of expected contributions from non-resident United Nations organizations to the Ninth Plan may include the following:

- UNCTAD offers technical assistance on trade issues and will assist Bhutan in the preparation of the upcoming International Ministerial Conference of Landlocked and Transit Developing Countries.
- UNODC continues to provide support through its regional precursor control project.
- UN-HABITAT provided technical inputs to the Ninth Plan and will try to mobilize resources in response to the Royal Government's request for support in implementing its recently adopted housing policy.
- UNESCO offers assistance for the development of rural media (community radio and multi-media centers) and international conservation standards for cultural heritage, particularly capacity building for the National School of Arts and Crafts and conservation of mural paintings at Tamshing Monastery
- UNIDO offers technical services through its regional trade project -- important as Bhutan embarks on the process of WTO accession -- as well as assistance to the National Energy Programme for Rural Areas, the establishment of a foreign investment promotion division, setting up of industrial estates, and analysis of export potential products

- IFAD will continue its support for agricultural development in the six eastern districts and may also provide assistance for a new project to expand rural road infrastructure and marketing development in the same districts.
- UPU/ITU carry out a joint project with Bhutan Post and Bhutan Telecom to set up telekiosks at post offices especially in remote regions to expand access to IT information aimed at closing the digital divide.
- ITC recommendations on export strategy are reflected in the Ninth Plan and offers technical support for trade facilitation through improved access to finance for exporting SMEs and promotion of exports by rural communities.
- WIPO offers assistance for the modernization of intellectual property system of Bhutan, including intellectual property programmes for traditional knowledge, small and medium enterprises, e-commerce and collective management of copyright and related rights.

Within the group of specialized agencies, many not only provide specialized technical assistance and some programme funds, but also serve a crucial normative function from which Bhutan benefits. For example, ICAO – without whose assistance none of us who flew to this meeting would have arrived.

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Closing remarks

Excellencies, ladies and gentlemen, Bhutan’s special development philosophy of Gross National Happiness and its emphasis on “people at the center of development” find deep chords of resonance within the United Nations. These noble ideals are an example to all countries. Central to their successful realisation is the balancing “middle path”. We trust that, as in the past, Bhutan will continue to find that equilibrium so necessary to all forms of life and well being on our planet.

From child vaccination to industrial parks; from primary education to intellectual property rights, the United Nations system stands committed to working closely with the Royal Government and with development partners, to serve the people of Bhutan.

UN Country Team in Bhutan: UNICEF, WFP, UNFPA, WHO, FAO,
UNDP –UNCDF, UNV

Non-resident UN system: IFAD, ITU, UNCTAD, UNEP, UNESCO,
UN-HABITAT, UNIDO, UNIFEM,
UNODC, UPU, WIPO