

STATEMENT BY H.E. LYONPO KHANDU WANGCHUK
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THIRD UNITED NATIONS CONFERENCE ON LEAST DEVELOPED COUNTRIES
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Mr. President,
Excellencies,

Distinguished delegates;

On behalf of my delegation, I extend our warm felicitations on your election as the President of this important Conference. We are confident that you will guide our deliberations to a fruitful conclusion. I would also like to take this opportunity to express our appreciation to the Government of Belgium for the warm reception extended to us. Our gratitude goes to the European Union for their generous offer to host this Conference. We also commend UNCTAD under the leadership of its Secretary General, Mr. Rubens Ricupero, for the vital role that it has continued to play in assisting LDCs to meet the challenges posed by the forces of globalization.

Mr. President,

The "Paris Declaration" in 1990 set forth hopes and promises for the future but many of the commitments remain unfulfilled. In order to make this Conference meaningful, it is essential for us to learn from the mistakes of the past and to commit ourselves fully to arresting and reversing the deterioration of the socio-economic status of the LDCs. We must also renew and revitalize the spirit of partnership between the LDCs and their development partners on the basis of mutual and shared responsibility.

Permit me to share a novel exercise undertaken by Bhutan last year with our development partners. For the first time in the history of the Round Table Meetings, Bhutan, as a recipient country, hosted the 7th Round Table Meeting in the capital city, Thimphu in November 2000. The aim of the meeting was to go beyond the standard resource mobilization exercise to promote a true spirit of partnership. Toward this end, the Royal Government initiated free and frank discussions on a wide range of topics of both policy and technical nature. It is our conviction that such exchange of views and experiences beyond the confines of cooperative activities are essential. The event was further useful in helping our partners obtain a first hand account of the socio-economic progress achieved by Bhutan and the challenges that it faces.

Mr. President,

The declining levels of Official Development Assistance (ODA) is a matter of grave concern. ODA is critical for meeting the multiple investment requirements in the LDCs but many development partners have not fulfilled their commitment. On the part of the LDCs, it is imperative to improve the utilization and effectiveness of ODA to reduce our dependency on it in the long run.

Financing for development has acquired a new urgency in view of the difficulties faced by LDCs in raising sufficient domestic resources. However, LDCs that borrow to finance development are overburdened with huge debts and a substantial amount of their scarce budgetary resources are used to service debts. It is, therefore, important to ensure that loans for financing development are made available on concessional terms to LDCs and the enhanced HIPC initiative be fully implemented.

Mr. President,

The Millennium Summit recognized that the central challenge today is to ensure that globalization becomes a positive force for all, and acknowledged that at present, both its benefits and its costs are unequally shared. We in Bhutan accept globalisation as a natural outcome of the continuing evolution of human society and ideas, accelerated by the miracles of technology. While we welcome the opportunities it offers for socio-economic progress, the fear that it threatens to further marginalize the poor countries is not ill founded. The appeal against consigning globalisation entirely to market forces alone is growing louder. Indeed, the pitfalls are neither few in number nor minimal in consequences. We believe that just as human institutions and cultural expressions are of our own making, so must the direction, pace and impact of globalisation be guided to ensure that it serves to enhance our greater common interests and values.

The multilateral trading system under the WTO must be sensitive to the particular needs of the LDCs. The various demand and supply-side constraints, and unfavourable market access conditions that have served to hinder the effective participation by LDCs in international trade must be addressed. LDCs are plagued with low productivity, lack of financial and skilled human resources, inadequate physical and social infrastructure, and weak institutional and technological capacities. For landlocked countries like Bhutan, this is further aggravated by high transportation costs and distance to the sea. In this context, the recent decision by Norway and the EU to eliminate quotas and duties on all products originating from the LDCs with the exception of arms is highly appreciated and welcomed. We remain hopeful that other countries will follow this noble gesture.

Mr. President,

Although threats to the global environment are the common concern of all countries, steps to reverse the adverse impacts on our environment must be based on the principle of common but differentiated responsibility. Following the Rio Conference in 1992, Bhutan, Benin and Costa Rica entered into bilateral treaties with the Netherlands to promote sustainable development in their respective countries. The Agreement sought to foster a new development cooperation

paradigm based upon the principles of equality, participation and reciprocity. We believe that this innovative arrangement merits the consideration of other countries as a model of mutually beneficial cooperation, to pursue development that is consistent with environmental sustainability.

My delegation is happy to note that "Access to Energy" has been recognized as one of the main thematic roundtable issues. The provision of clean, reliable, adequate and affordable energy is vital for improving the standards of living and quality of life of our peoples. Bhutan is mindful of this and is engaged in an extensive rural electrification programme through the development of its hydropower potential. We are confident that with the continued support of our development partners, Bhutan will be able to provide electricity to all Bhutanese by the year 2020.

Mr. President,

Even as we speak of the need for accelerating development in the LDCs and enhancing their capacity to participate gainfully in the multilateral trading system in a globalising world, the imperative of the human individual to exist amid peace, security, and contentment cannot be overstated. In this context, Bhutan has always endeavoured to maintain a harmonious balance between material and spiritual development rather than being guided purely by the goal of a higher GNP. My country continues to pursue a development philosophy based on the concept of Gross National Happiness (GNH) which aims to ensure that the end product of development is to bring happiness to the individual citizen. This in turn can best ensure the collective happiness of the community and human society at large. The Royal Government thus considers it its responsibility to establish and sustain the prerequisite conditions for such a state of being. These are identified as conventional socio-economic development, environmental conservation, promotion of basic human and cultural values and good governance.

The successful implementation of the Programme of Action to be adopted by this Conference will depend, among others, on good governance. The establishment of a sound institutional, legal and regulatory framework to enable the participation of all stakeholders at the national and local levels in the development process is vital. The Royal Government has always accorded high priority towards decentralization and people's participation in decision-making. This will be taken a step further in the year 2002 with the formulation and implementation of Bhutan's Ninth Five Year Development Plan at the village level. Furthermore, the Royal Government remains committed to promoting good governance through efficiency, transparency and accountability.

In order to avoid the consequences of incremental and unsustainable development and to guide Bhutan's developmental process in a manner that is consistent with our values and aspirations, the Royal Government published a document entitled, "Bhutan: 2020 - A Vision for Peace, Prosperity and Happiness" in May 1999. The document sets out a 20 year perspective to promote sustained socio-economic progress in the country and provides an excellent basis for our development partners to assess the ways and means in which they can support the endeavours of the Royal Government.

Mr. President,

The task ahead may be daunting but my delegation is confident that the collective wisdom of this Conference will provide the framework for a strong global partnership based on shared responsibility to promote economic growth and development in the LDCs. We note with satisfaction that this Conference has placed strong emphasis on adopting deliverables for the LDCs. We hope this will correct the shortcomings of the previous two Programmes of Actions and pave the way for a better future for our peoples. Indeed, my delegation is confident that with the generous support of our development partners, the LDCs will make tangible progress and become successfully integrated into the global economy.

Thank you and Tashi Delek!