

## Statement by Austria

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

Thimphu, 1-2 September 2011

Honorable Chairman Lyonpo Yeshey Zimba, Honorable UN Assistant Secretary-General, Ministers, Secretaries, Dashos and Aums, fellow Development Partners, Ladies and Gentlemen,

Austria appreciates the initiative of the Royal Government of Bhutan to convene this 11<sup>th</sup> Round Table Meeting in Thimphu, which constitutes an important forum for discussion and coordination between the RGoB and the International donor community.

Since the last RTM in the year 2008, Bhutan has achieved impressive political developments with the smooth transition to a **successful democratic government**. The continuing efforts to the democratization process with the full development of the country's governance and legal institutions and the emergence of a respected system of jurisprudence show the sincere commitment for a vibrant democratic society. With the successful completion of the municipal and local government elections, the democratic set up at the very grass root levels has been put in place. With these empowerments of the local government, the political goal to make them responsible for many of the development planning and management functions can be realized. Therefore, the Bhutanese people would genuinely own the development process thereby fulfilling both long term national goals and meeting local needs and aspirations.

It is noteworthy that the government has taken essential initiatives in consolidating **good governance** for fulfilling the promise of efficient and effective governance by improving public service delivery which included the rapid and convenient life support health services, relaxed procedure for school enrolment for disadvantaged groups, security clearance made fast and simple and provision of other essential services. In addition, we welcome the reaffirmation of the RGoB's continuous commitment and urge the government to make efforts to find a lasting solution for the refugees based on the negotiations following the previous agreements reached between the two governments of Bhutan and Nepal.

Austria congratulates the RGoB for the progress made in the course of the 10<sup>th</sup> Five Year Plan up to now, as shown in the Mid Term Review. The 10<sup>th</sup> Five Year Plan especially indicates ways on how to move forward in the future in order to fully meet the **MDGs** and bring down **poverty** from 23% to below 15%.

The **Bhutan Country Strategy 2010 – 2013 of the Austrian Development Cooperation** has been successfully supporting Bhutan in its efforts to address the MDGs in relevant sectors, such as **energy**, including rural electrification; **governance**, including institutional strengthening and capacity development of justice of Bhutan as well as capacity building of the local government leaders; and development of **tourism**. Furthermore, Austria could share its specific know-how with Bhutan in the areas of mountain ecology. Austria has also joined other development partners in providing assistance for **climate change** focusing at potentially at risk glacial lakes like Thorthormi Lake in the north of Bhutan.

The indicative budget for the bilateral development cooperation within the framework of the Bhutan Country Strategy 2010 – 2013 amounts to 10,1 million Euros. The

Austrian Development Cooperation will continue its support for the government and the people of Bhutan in the years to come.

We are greatly impressed by the professionalism and transparency with which the Mid Term Review of the 10<sup>th</sup> Five Year Plan has been conducted. The report clearly reflects the recommendations for the way forward as well as the challenges. We therefore congratulate the government and wish for a successful implementation of the 10<sup>th</sup> Five Year Plan.

Austria welcomes the efforts of the RGoB to continue devolving greater administrative, financial and regulatory powers to the local bodies. Bhutan has made impressive headway within a very short time. However, we are also aware that in terms of building and utilizing capacity, human resource development and strengthening of institutions, the process of **decentralization** will continue to remain a challenge.

We have taken note of the full implementation of the Civil Society Organizations Act with the establishment of the Civil Society Organizations Authority. We note with great appreciation that already 16 CSOs have been approved. The contribution of **civil society institutions** on a local, regional and the national level will certainly support social, cultural and economic development.

A vibrant **private sector** will be necessary to sustain economic growth and address poverty reduction through employment generation. Austria appreciates the efforts of the RGOB to encourage Foreign Direct Investment which has potential to accelerate the private sector development in Bhutan.

We are aware, that rising unemployment, particularly amongst the youth, is a source of concern to the government. We appreciate that providing employment is an essential part of Bhutan's development philosophy. We encourage Bhutan in its efforts to respond to the situation through diversification of economy by creating an enabling environment for private sector development, enhancing vocational training and off-farm employment in the rural areas. Austria greatly appreciates the further implementation of the Tourism Master Plan, which will also contribute towards employment creation.

We would like to conclude with the sincere wish, that the RGoB will continue to strive for a **vibrant democratic society**, based on equal rights for all people independent of their origin and ethnic background. The democratization certainly holds out hope for a firm set of fundamental human rights and obligations which authorities and citizens can be held responsible to. We are confident, that in the course of democratization the disparities can be narrowed down and equal opportunities as well as peaceful and sustainable growth can be achieved.

Austria would like to wish the government and the people of Bhutan all the best for their challenging tasks ahead to achieve a balanced and equitable development for the whole country.

Thank you very much and tashi delek.