

INAUGURAL ADDRESS BY THE HON'BLE PRIME MINISTER
AT THE
ELEVENTH ROUND TABLE MEETING

1st- 2nd SEPTEMBER 2011, THIMPHU

**Excellencies,
Distinguished Delegates,
Ladies and Gentlemen.**

It is my privilege to extend a very warm welcome to all the distinguished representatives of our development partners to the 11th Round Table Meeting for Bhutan here in Thimphu. The Royal Government is most heartened by your presence. I need hardly emphasize the great importance of this event which will effectively determine the scope and success of the 12th Five Year Plan that will coincide with the term of the second democratically elected government. We will together, in the next few days, review the progress of Bhutan's current Five Year Plan, our aspirations for the next five years and discuss the areas and extent of our partnership for the period. Most importantly, it provides an opportunity for Bhutan to convey our deepest appreciation and gratitude to our development partners for their generous support.

It is my special privilege to bring to you the greetings of His Majesty the King and His good wishes for a fruitful visit. I would further like to say a special thank you to my good friend, His Excellency, Mr. Ajay Chhibber, UN Assistant Secretary-General and UNDP Regional Director for Asia and the Pacific for having kindly consented to co-chair this important

meeting. I also take the opportunity to acknowledge the kind support of the UNDP Country Office in organizing this important Round Table Meeting.

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The consolidation of democracy and nurturing of a democratic culture is the highest priority of the Royal Government. Our endeavours, as the first elected government, have not only been to maintain peace, stability and progress but to ensure that all our actions and pursuits are undertaken in keeping with democratic values and processes. I am happy to report that while we do face teething problems, it has been a rewarding and satisfying experience thus far.

I am pleased to report that all the institutional arrangements asmandated by the Constitution for the three branches of government are complete and fully functioning at both the central and local levels. Likewise, the constitutional bodies are discharging their oversight responsibilities effectively with complete independence.

We recognize that the role of civil society is indispensable to the development of good society. The Civil Society Act passed by Parliament is fostering the growth of vital CSOs. As of now, there are 16 NGOs covering a wide range of areas including nature conservation, education, poverty alleviation, youth, women, the physically

challenged, sports and entrepreneurial development. These do not include many old and new religious organizations that are registered separately.

Similarly, we know that an independent media plays the indispensable role of deepening democracy, testing its transparency and holding government accountable. There has been a notable expansion of media in Bhutan over the last few years with nine newspapers and magazines in circulation and thirty seven publishing houses. This is supplemented by several Radio stations and a public television system. The creation of the Bhutan Media Foundation in 2010 by His Majesty the King through a royal decree will further help foster the growth of a strong, responsible and professional media. My government has been fully accessible to the press and has always engaged with it actively. All major policy initiatives or activities are relayed through press conferences, briefings and via web sites maintained by all agencies of the government. We also hold a monthly “Meet The Press” forum which is open-ended and provides opportunity for the media to interact with the entire Cabinet together with the Prime Minister. The media is free to ask any question or raise issues on any topic. Normally, the meeting averages 20 questions in the two hours provided for the purpose. This is augmented by the complete freedom with which external media and their products and services in print, electronic and broadcast media are accessible.

Recognizing Social Media as an important platform for freedom of expression and its growing relevance in shaping the way people communicate and access information, we have worked towards

facilitating its use by providing the necessary support infrastructure. The national broadband master plan project to be completed by the end of the Tenth Plan will connect all twenty *Dzongkhagsand Gewogs* through the national optic fiber network. Given our policy to keep ICT services affordable and widely accessible, internet usage has exploded over the last few years with the number of users quintupling to 94,285 in 2010 from a little over 18,000 in 2009. There are also reportedly more than 50,000 Facebook users in Bhutan of which I have become one since a week ago.

Reflective of these positive developments, Bhutan's media freedom ratings have improved remarkably. The Press Freedom Index 2010 published by Reporters without Borders ranked Bhutan 64th among 178 countries - up from a lowly 157th in 2003.

Building a sustainable and resilient democratic society, however, is a long term endeavour, far beyond the ability of one government. But we have made a good beginning and I am confident that future governments will be equally devoted to this goal.

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Over the last few years, Bhutan has made considerable progress in sustaining growth and in advancing social and human development within the GNH paradigm. Economically, we have maintained rapid

growth which, on average, has exceeded 8% since 2005 without undermining our social, cultural or political values and without depleting our natural resource base. Macroeconomic projections also reflect a healthy growth trend for the next decade driven primarily by the hydropower investments, bolstered by robust growth in other sectors.

In my recent visits to rural communities across the country for the Mid-term Review of the Tenth Plan, I had the opportunity to see for myself how much has been done and achieved in terms of raising the quality of living standard in rural Bhutan. Simply saying that we have reduced poverty by so many percentage points or our human development index scaled up by so much, barely describes the amazing changes that have taken place.

Many remote villages that had no access to electricity, roads and basic services now enjoy some essential comforts that you and I take for granted. The use of electricity and energy efficient technologies has reduced the work and fuel-wood gathering burden on families while improving health outcomes. Safe and clean drinking water today is a reality for almost all Bhutanese. More pregnant mothers now receive regular prenatal checkups and are attended by skilled health personnel during delivery thereby reducing infant and maternal mortality. Malaria and tuberculosis that once took a major toll on our population are no longer big public health threats. By now, hopefully, every one of our primary school aged child is enrolled in schools providing the most important means to helping themselves and their families escape and stay out of poverty. Additionally, the expanding network of rural roads

has given innumerable rural communities across the country greater access to essential services while providing market access and enhancing their economic and livelihood prospects.

From this you may surmise that Bhutan is well on track to achieve most of the MDG targets, including that of reducing poverty by half. But, national averages often fail to report regional variations. In our case, rural poverty still remains a significant challenge for us and we are aggressively working towards reducing socio-economic disparities across Bhutan. I am of the firm belief that we genuinely cannot speak of any meaningful progress towards actualizing GNH for our people without eliminating the scourge of poverty and underdevelopment from all sections of our people. His Majesty the King has spoken of the growth of inequality as potentially the greatest danger to the unity and fabric of Bhutanese society in the future and warned that we must guard against its emergence.

In addition to our fight against poverty, there remains so much more work to be done. While we have achieved gender parity in primary and secondary education, our adult female literacy levels are extremely low and I suspect, is one reason for the lower levels of female representation in parliament and local government as well. Additionally, even as crop production and yields have increased and access to markets improved, our farmers still hurt deeply from extensive crop depredation by wild animals and other forms of human-wild life conflict. These manifest the other side of our success in wild life conservation. Our children eat better and more healthily as reflected in the vastly improved nutritional status of children and yet

we know that chronic malnutrition continues to affect a good proportion of all our children. And in Gasa, the northern most district, we have a prosperous population enjoying the second highest income level from among all districts with the dual distinction of being victim of the highest level of multi-dimensional poverty and weakest human development status. We have a rapidly growing economy but one that is hard pressed to generate sufficiently attractive employment for the growing number of young people that are entering the labor market with rising expectations. These facts are not simply about the paradoxes of development but about the grim realities of underdevelopment and vulnerabilities that we still confront and must address as best we can.

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Notwithstanding the challenges that remain, we are happy to inform you, our development partners, that through your generous support, much has been achieved. To ensure that we can sustain the developmental gains, the Royal Government has always held economic self reliance as the most important goal of our nation building endeavours. To this end, we have taken a number of initiatives in the Tenth Plan. We are happy to share that work on the 10,000MW accelerated hydropower programme is progressing well. Four projects are under implementation as we speak and we are working expeditiously to begin implementation of the six additional projects before the end of the Tenth Plan. At the same time, taking advantage of

our unique selling points, we are pursuing our vision of promoting "a green and sustainable service economy supported by an IT enabled knowledge society". In this regard, we are expanding our hospitality industry without compromising our policy of high quality-low impact tourism; promoting Bhutan as an ICT hub for data processing, high end BPOs and research and development. We are promoting Bhutan as an attractive destination for investment in world-class education and health services to cater to a growing demand in our prospering region. Beyond these aspirations, we are actively pursuing a course to reverse Bhutanese agriculture into an organic brand to make it sustainable and profitable for our farmers by taking advantage of the wealth of knowledge that has been generated to ensure that this will not mean lower productivity.

If all these go well, then we as partners will be able to achieve our shared goal of removing Bhutan from the list of aid dependent countries. Bhutan will be able to continue with its pursuit of GNH without external development assistance after the year 2020. This is barely nine years from now.

Until then however, we see that there is still need for further investment to strengthen the socio- economic foundation so critical to the success of the political reforms and development that are underway. My government has been fortunate to receive your generous support in the 10th Plan but it is evident that the next government will also need such support. Indeed, inspite of the good progress in the 10th Plan, I have to admit that the development constraints we face are complex, manifold and as daunting as they have

ever been. Providing accessibility and overcoming distance in a harsh,unforgiving terrain will remain as we deal with the high costs and demands of meeting last mile challenges to bringing development to the furthest communities. And this is without factoring in the unpredictable costs of climate change -disaster management, mitigation and adaptation - for a country that is located in the most fragile eco system.

At the same time, we are also confronted with a polity that has enormous expectations from democracy.The Bhutanese people's faith in democracy and the peace and stability of our nation, I believe, will be determined in the critical period of transition to self reliance.

In conclusion, on behalf of the Royal Government, I would like to thank all our development partners for the most valuable and effective assistance and cooperation extended to us over the years and we look forward to continuing our friendship and cooperation for greater mutual benefit and satisfaction.

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I wish the eleventh meeting of the RTM every success.

Thank You. Tashi Delek!

