

Statement by Austria
Thirteen Round Table Meeting (RTM) of Bhutan's Development
Partners

Thimphu, 15 and 16th March 2017

Honourable Chair and Co-Chair, Excellencies, Ladies and Gentlemen

First Austria would like to express its thanks to the Royal Government of Bhutan to convene this 13th Round Table Meeting. The meeting is an important forum to take stock of the achievements and challenges of Bhutan in pursuing its development goals under the 11th Five Year Plan and an appreciated opportunity for discussion and coordination between the Royal Government of Bhutan and the International Donor Community on the way forward for the 12th Five Year Plan.

Austria and Bhutan are longstanding and successful development partners **for over 28 years**. Austria congratulates Bhutan for the significant achievements realised till now under the 11th Five Year Plan. As laid down in the Austria Bhutan Country Strategy 2015-2018 **Austria is ready to continue this fruitful partnership in the frame of the 11th Five year plan**. The **indicative budget for the bilateral development cooperation** amounts to 4 million Euros until 2018.

The last years have seen an **impressive performance of constitutional democratic institutions** in strengthening the rule of law, measures to increase transparency and accountability and to prevent and to stop corruption. The **Royal Audit Authority** as the supreme audit institution in the country has been outstanding in ensuring that public resources are used in the most efficient and effective way. Austria assists the Royal Audit Authority in strengthening the consistency and quality of audit reports and gender based auditing. Also the **Royal Civil Service Commission** has

adopted a results-oriented approach in order to achieve efficiency gains in the performance of the civil servants and their public institutions. Together with the World Bank and the European Union Austria contributes to a multi donor fund to support the Royal Government of Bhutan in its strong commitment in strengthening public finance management in the country over the next years.

Austria highly values the performance of the **justice sector** of Bhutan in effectively protecting the constitution, the rights of citizens and in enforcing the rule of law in the country. With Austrian co funding significant progress has been achieved in upscaling access to justice through new public district courts and specialization of professional legal service delivery. Austria also supports the faculty development of the Jigme Singye Wangchuck School of Law as a competence centre of higher legal education. And Austria contributes to the UN Programme ONE Bhutan earmarked for increasing access and establishing a legal aid system. Through these measures the justice sector has been able to develop public confidence and respect. Until the end of the 11th Five Year Plan period Austria's assistance will continue in the further improvement of district court infrastructure as well human resources.

Austria is pleased to observe a gradually **increasing number of Civil Society Organisations**. 50 civil society organisations have been registered until now. Increasingly taking up advocacy tasks and by participating actively in areas of public concern they can be excellent agents to the further societal and democratic development of the country.

Austria holds that an informed and sustainable **tourism** has a high potential for revenue and employment generation and thus significantly contributes to poverty reduction. Supported by Austria the Royal Institute for Tourism and Hospitality is in operation since 2010 and has been instrumental in providing professional skills with international certification in tourism and hospitality sector. A 4 star training hotel at Motithang adjoining the training institute will be opened soon and will be able to provide on the job training to the students. Similarly, providing safe, reliable and affordable **energy** is another precondition for multi-dimensional poverty reduction. With funding from Austria thousands of households have been connected on grid in remote and environmentally sensitive areas. The Dagachhu Hydropower Plant adds 8% or 126 MW hydropower capacity to the existing total production output and the plant will earn gross revenue of Nu. 1.5 billion (Euro 21 million) annually.

Austria is aware that balancing development efforts and conserving the environment are huge challenges. Austria fully supports the 11th Plan objective of **Green Socio-Economic Development**. We assist in exploring renewable energies and energy efficient construction technologies as well as in strengthening national capacities regarding the preservation of aquatic systems in Bhutan. In order to secure the safety of the hydropower plants Austria assists also in the development of national safety guidelines and in building up capacities.

Austria would like to thank the Royal Government of Bhutan for sharing the **findings of the midterm review of the 11th Five Year Plan**. While good progress has been made, critical issues have been raised for example on the reliability of data, challenges in coordination and deficiencies in reporting the achievements of the national key results. Austria applauds the Royal Government of Bhutan's determination to live up to these challenges. The Royal Government of Bhutan deserves appreciation for the objective

“Just, harmonious and sustainable society through enhanced decentralisation” of the upcoming 12th Five Year Plan. We welcome that the preparation of the 12th Plan is based on the findings of this midterm review and aligned with the Sustainable Development Goals. The 12th Plan should be characterized by effective and efficient implementation and accompanied by a human resources development plan, decisive enforcement of policies and close monitoring and steering mechanism at all levels in order to successfully yield tangible results.

In 2017 a joint midterm review of the Austria Bhutan Country Strategy will take place. The outcome of the review will form the basis for decision on the possible Austrian support of the 12th Five Year Plan.

Austria expects that the **longstanding cooperation** between Austria and Bhutan will be transformed into new forms of partnerships across many areas once Bhutan reaches its aim of self-reliance. As Bhutan will be reaching ‘middle income’ status bilateral development cooperation grant programmes gradually will be phased over to mature loan programmes. Austria offers financing mechanisms, where public and private sources of financing and technology transfers are blended which will help to further strengthen our excellent relationship and to lift it to a new level. For example is Bhutan **eligible for Austrian soft loans** and business partnerships. The business dimension of our bilateral cooperation could be further utilised in exploring new business and job opportunities in Bhutan.

We would like to conclude with our thanks for the **excellent preparation** of this 13th Round Table Meeting and our sincere wishes to the Government and the people of Bhutan for successful meeting the challenges that lie ahead.

Thank you and Tashi Delek