

## **14th Roundtable Meeting in Bhutan**

### **Statement by NORAD**

Prime Minister, Administrator, honorable ministers, your excellences, distinguished members of the international community.

Thank you for the invitation to this conference and to beautiful Bhutan.

Norway and Bhutan share a deep love for nature. We are both beautiful mountainous countries, where the love and respect for nature lies deep in our national culture. Outdoor activities, and especially mountain hiking, is one of the most popular leisure activities in Norway. This is maybe why concern for nature and the environment is such a high political priority both for Bhutan and Norway. We both share a concern for the environmental challenges the world is facing, where climate change and loss of biodiversity are two of the most serious ones. These are challenges which might affect the nature we both love so much in a very negative way.

In 2016 world leaders agreed on the Paris treaty to combat climate change and we are looking forward to a good outcome in Beijing in 2020. Preserving global biodiversity is important for Norway. That is why we support UNDPs BIOFIN program. The expected impact of the BIOFIN program is to create a biodiversity finance plan with innovative finance solutions for countries to protect their own biodiversity.

Norway has a long, proud history in working with Bhutan, especially in developing your hydropower. Now Bhutan will graduate from bring a less developed nation and can move to the status of middle-income country by 2023, partly through the revenues earned with hydropower. As a consequence of that, Norway will, as other donors, phase out our role as a bilateral donor to Bhutan. However, Norway continues to be a close friend of Bhutan.

NORAD is therefore happy to continue to assist Bhutan through our multilateral work in and it is in this role NORAD is participating in this conference. The financial resources Norway is committing to the BIOFIN program are channeled to two countries: Cambodia and Bhutan. We are happy to see the results Bhutan has achieved so far through your participation in the BIOFIN program. through addressing three different 3 SDGs explicitly in the financing assessments and plans.

We have noted with great interest that protection of the environment plays a significant role in Bhutan's Gross National Happiness concept. We are pleased to see that, as a consequence, preserving nature has taken a central role in Bhutan's policies, and that it has a central role in your 5-year plan. With this plan, we also hope that Bhutan will be able to fully take the next BIOFIN step, finish your biodiversity finance plan and implement your identified finance solutions for biodiversity. The BIOFIN team, with support from NORAD, will assist you in this.

One possible financing solution is through the revenues from your hydropower production, even though it plays a crucial role in a transition from a fossil based to a renewable society, hydropower also has an impact on nature. Norway, as another large hydropower producer, has experience in using a part of our taxation on hydropower production for nature protection. However, we understand that revenues from hydropower is important in financing many important social needs, and hydropower revenue is also only one of several possible sources to finance biodiversity.

Management of forests plays a significant role in environment policies. Forests are crucial both for mitigation of climate gas emissions through CO<sub>2</sub> sequestration and for biodiversity as a large part of the worlds endangered species depend on forests. Bhutan's significant forest assets has high potential both for carbon sequestration and for biodiversity as the nation's forest coverage exceeds 70% of the land surface. Bhutan's forests also have the capacity to sequester 6.3 million tons of carbon dioxide – four times what Bhutan emits – making Bhutan the only carbon negative country in the world. The focus on forests is also something our two nations have in common. Norway- through our engagement in the Norwegian International Climate and Forest Initiative- is a champion of forest protection.

Bhutan may be a small country when it comes to population, but as these figures show, Bhutan can play an important role when it comes to taking care of the environment. With your integration of environment in your Gross National Happiness concept and the way you show this through practical policies, not least in the way that you manage your forests, even through your constitution, you can be an example to the world at large.