

**15th Round Table Meeting: An update on the 12th Five Year Plan
2nd September 2021, Conference Hall, National Assembly of Bhutan, Thimphu**

Concept Note

1. Background

- a. Situated in the Eastern Himalaya, Bhutan is a small country with a population of 727,145 and an area of 38,394km². Bhutan's economic development continues to be guided by the overarching philosophy of Gross National Happiness (GNH) - a holistic and sustainable development approach that seeks to balance economic, social, emotional, spiritual and cultural needs of the people. Since the commencement of planned socio-economic development in 1961, Bhutan has witnessed significant development progress and is poised to graduate from the UN list of Least Developed Country (LDC) category by 2023. Building on the principles of GNH, significant socio-economic progress has been achieved so far, which is driven by the farsighted vision of our Monarchs and the generous offer of friendship, support and assistance extended by our Development Partners.
- b. The ongoing COVID-19 pandemic has upended the global economy and Bhutan is no exception with its deleterious impacts on the country's key economic sectors such as tourism, construction and manufacturing. The COVID-19 pandemic has resulted in loss of livelihood and income with the country's GDP growth spiraling to an all-time low of negative 6.3 percent. The prolonged lockdown and uncertainty has compounded challenges and interruption in supply chains of raw materials and other logistics items. The unemployment rate peaked to 5 percent in 2020 and youth unemployment increased to 23 percent impending further socio-economic risk.
- c. The extraordinary and visionary leadership of His Majesty during this unprecedented time has ensured safeguarding the country. The grant of Druk Gyalpo's Relief Kidu (DGRK) by His Majesty in the form of income and interest waivers payment support, has provided huge economic relief to those impacted by the pandemic. Such support has boosted the morale and resilience of our people.
- d. The ongoing crisis is also an opportunity to elevate and reorient our plans and programmes to respond to crisis management and in building a better future. Several fiscal and monetary

measures were initiated towards stimulating economic activities and revival of the economy. In this regard, it is of utmost importance to engage closely with the Development Partners to reprogramme and reprioritize the 12th Five Year Plan and make it relevant to the current context.

2. Update on 12th Five Year Plan Mid-Term Review

- a. The 12th Five Year Plan is the last mile journey for Bhutan towards sustainable graduation, which began on 1st November, 2018 and will end on 31st October, 2023. Guided by the GNH vision, the overall objective of the 12th Five Year Plan is “*Just, Harmonious and Sustainable Society through enhanced Decentralisation*” and ultimately contributing to the realization of the Sustainable Development Goals.
- b. To track progress of the 12th Five Year Plan, the Mid-Term Review (MTR) was conducted between April to May 2021 to facilitate adjustments of plan priorities and to resolve issues and challenges. Out of 2,345 Key Performance Indicators (KPIs) of the 12th Five Year Plan, 628 KPIs (26.78%) were achieved, 1,488 were on-track (63.45 %) and 239 were at-risk (10.19%). Additionally, the MTR also formally endorsed the reprogramming and reprioritization of plan activities including responses and recovery efforts of COVID-19 pandemic. The financial achievement reported during the MTR was 45.48 percent.

3. 15th Round Table Meeting

- a. Initiated in the early 1980's, the Round Table Meeting (RTM) is considered as the highest forum for policy dialogue between the Royal Government of Bhutan (RGoB) and its Development Partners and is held twice over the course of a Five-Year Plan period.
- b. Coinciding with the midterm of the 12th Five Year Plan, the Royal Government of Bhutan (RGoB) will host the 15th RTM with its Development Partners on 2nd September, 2021. This RTM is of utmost importance to RGoB to update the progress of the 12th Five Year Plan and support rendered by the Development Partners towards successful implementation and completion of the 12th Five Year Plan. In this regard, continued support and cooperation of Development Partners is crucial.
- c. The objectives of the 15th RTM are:

- i) acknowledge the Development Partners for their assistance rendered to us over the decades.
- ii) take stock of development progress and review challenges.
- iii) ensure better alignment of development assistance with the emerging priorities of the government amidst pandemic.

Format:

- a. The RTM will be conducted in a hybrid mode (in-person for resident development partners and virtual for non-resident development partners) in keeping with the COVID-19 protocol.
- b. It will consist of inaugural and business sessions. H.E Lyonpo Namgay Tshering, Vice Chair for Gross National Happiness Commission and Minister for Finance will grace the inaugural session and deliver the keynote address. H.E Lyonpo Dr. Tandi Dorji, Minister for Foreign Affairs will chair the business session.
- c. There will be presentations on Bhutan's Economic Performance and Outlook, an update on the progress of the 12th Five Year Plan and status of the Development Partners support. This will be followed by a Q & A session.
- d. A dedicated session will be allotted for Development Partners to deliver statements. Each Development Partner will be provided a maximum of 5 minutes to deliver their statements highlighting areas of cooperation and financing.
- e. Additional information on the 15th RTM will be available at the RTM website <https://rtm.gnhc.gov.bt/>.
- f. The outcome of the 15th RTM will be shared with all the Development Partners and uploaded on the RTM website.