

Keynote Address by Hon'ble Finance Minister H.E. Lyonpo Namgay Tshering during the inaugural session of the 15th Round Table Meeting (RTM): An update on the 12th Five Year Plan, on 2 September 2021 at Gyalyong Tshogkhang.

*A very Good Morning, Good Afternoon and Good Evening
Hon'ble Chair of the RTM,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen.*

I have the honor to convey the greetings and best wishes of His Majesty The King, to all Excellencies and Distinguished Delegates attending this meeting, in person and virtually.

We are most thankful for your time and commitment to attend Bhutan's 15th Round Table Meeting (RTM). Your presence here today speaks of the importance of our mutually fulfilling relationship and strong partnership.

I would also like to convey the deepest appreciation of His Excellency The Prime Minister Dasho Dr. Lotay Tshering. His Excellency The Prime Minister had to attend to an urgent commitment at the last hour and I convey the sincere apology for The Hon'ble Prime Minister's inability to take part in this August gathering. I am, however, very honored to be part of this very important event.

This Round Table Meeting provides an excellent opportunity for the Royal Government of Bhutan to extend our deepest appreciation to all our friends and partners for your generous support and cooperation at all times and especially during the pandemic.

This RTM is also an opportune moment for us to update our partners on the progress of the 12th Five Year Plan, and the critical development challenges and gaps that need to be addressed. This has become indispensable, especially at a time where the pandemic has made it necessary for us to be agile and reorient our plan to meet the fast-changing needs and priorities.

In this regard, I would like to thank our development partners for your flexibility, unstinted support and aligning your assistance, where possible, with the emerging needs of our country.

*Excellencies,
Distinguished Delegates,
Ladies and Gentlemen.*

I would like to take this opportunity to update the distinguished delegates on the COVID-19 situation in Bhutan and our whole-of-Government response measures towards saving lives and protecting livelihoods. To share with you the brief updates on COVID situation in Bhutan; as of today, the total number of cases stands at 2,595, of which, 23 are Active cases with only 3 Deaths so far.

Bhutan is no exception to the impacts of the COVID-19. The country's economy experienced the largest contraction in 2020 triggered by the COVID-19 pandemic. The growth is expected to dip further to an all-time low of -6.3 percent as a result of COVID-19's impact on the key economic sectors such as tourism, construction, and manufacturing.

However, the country witnessed a concerted and coordinated approach towards the fight against the pandemic and was able to contain and manage, despite the challenges posed by limited resources and capacity. This exemplary success would not have been possible without the benevolent guidance and leadership of His Majesty The King.

Raising the bar for leadership and breathing new life into it, His Majesty is at the core of the nation's fight against the pandemic. With the unrelenting blessing, guidance right from the onset of COVID-19, as an imminent respite and relief, His Majesty launched the Druk Gyalpo's Relief Kidu to protect the livelihoods of those affected by the pandemic and due to unpredictability of the situation, His Majesty's Relief measures have been extended till June, 2022.

Under the leadership of His Majesty; the Government embraced comprehensive national response measures ranging from public health safety to economic revival and ensured that response measures strike a balance between saving lives and protecting livelihoods.

To mitigate the socio-economic impacts of the pandemic on the sectors like tourism, construction and agriculture, the Economic Contingency Plan with a budget of Nu. 4 billion was initiated. Further, to ensure continuity of the businesses, the Royal Government initiated various fiscal and monetary including provision of government guarantee as the counter-cyclical policy measure.

The Government also pursued an expansionary fiscal stance with the implementation of the high-level capital budget for the Financial Year 2021-22. The budget has been formulated with the theme to ensure ***“Sustained Economic Stability for a Resilient Recovery”*** with the overall objective to: ***i) Maintain Public Confidence ii) Sustain Economic Activities iii) Transform Health and Education System iv) Leverage on ICT and Innovation, and v) Enable whole-of-the Government Reform Initiatives.***

Despite these measures, with the risk of spreading new COVID variant in the Region and with the subsequent lockdowns especially in the country's border towns, the pace of economic recovery may be slightly slower than anticipated.

Bhutan was a fortunate few to receive unwavering support and goodwill from our friends and partners around the globe in terms of vaccines and other COVID-related support. With this timely support of goodwill, we have inoculated more than 90% of our eligible population and vaccination of children aged between 12-17 years is underway. This could not have been possible without the timely support received from countries within the region, Europe and United States. Let me take this opportunity to thank you all for your efforts towards this endeavor.

As you may be aware, we are halfway through the 12th Five Year Plan which started in 2018. During such time of the plan period, as usual, we have conducted the Mid-Term Review of the 12th Five Year Plan to gauge the plan progress, undertake mid-course correction wherever deemed necessary and resolve issues and challenges.

Besides other benefits, the Mid-term review gave us an opportunity of reorienting the 12th Five Year Plan and external assistance to meet the current context and needs of the country through reprogramming, frontloading and reprioritization.

It is reassuring to inform the delegates here that the 12th Plan implementation is on track despite the unprecedented challenges posed by the pandemic.

The financial achievement of the 12th Plan made so far stands at 46%.

*Excellencies,
Distinguished Delegates,
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It is a matter of great pride and joy in Bhutan's development journey that we will be graduating from LDC status in 2023. As you may be aware, Bhutan was found eligible for graduation in both the triennial reviews of 2015 and 2018 respectively. Thus, Bhutan pronounced in 2019 to graduate in 2023 coinciding with the formal completion of the 12th Five Year Plan.

While we have economic challenges posed by the pandemic, our commitment to graduate in 2023 remains unaltered.

Another prominent challenge to Bhutan's graduation and post-graduation that may derail our hard-earned development gains is climate change. We remain highly vulnerable to the impacts of climate change. The Agriculture sector provides livelihood sustenance to more than 60% of the Bhutanese population and hydropower, the bedrock of the country's economy, are highly climate sensitive. As a result of climate change, Forest fires, flash floods, droughts, water shortages, landslides and other natural hazards are becoming more and more prominent and frequent than ever in the country.

To address the disproportionate brunt of climate impacts, Bhutan, in tandem with the climate finance institutions, strives to pursue climate actions, although the financial burden is disproportionately significant.

It is evidently true that the call for global and regional partnerships is crucial for Bhutan to continue and sustain its carbon neutrality and low carbon and climate resilient development pathways.

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Let me also take this opportunity to share some of our development priority areas as we move forward in the context of the pandemic and LDC graduation.

We will give utmost importance to our economic recovery and ensure that we restore normalcy at the earliest possible.

In addition to continuing socio-economic development and drawing experience from the pandemic, we remain committed to reinforce and strengthen our developmental plans in the areas of renewable energy, water security, digitization, health & education, food self-sufficiency, employment generation and artificial intelligence.

Subsequently, as we graduate, it is obvious that some development partners may phase out and grant assistance to Bhutan could reduce, while on the other hand the country's needs and aspirations will keep growing.

Moving forward, to fill up this gap and to sustain our development path and for realizing SDG targets, we would explore different modes of financing such as climate finance, highly concessional loans, public private partnerships and issuance of Green Bonds.

In conclusion, I wish to extend my deepest appreciation to all our development partners, past and present, for your unstinting support and bringing Bhutan thus far. Bhutan's success is an outcome of our shared efforts, to be cherished by both Bhutan and our partners alike. I also wish to thank all delegates congregated here and joining virtually for taking your part in this Round Table Meeting. Your presence is a true testimony of your goodwill, friendship and solidarity at this crucial juncture in our development journey.

I look forward to our continued goodwill and partnership, and working closely especially during this time of pandemic and during our last mile to LDC graduation.

Finally, the Royal Government on behalf of the people would like to pay tribute to His Majesty The King for continued guidance and safeguarding the welfare of the Bhutanese people and, all sentient beings in the world at large particularly during this pandemic.

Thank you and Tashi Delek
