



30 YEARS OF BHUTANESE-DANISH PARTNERSHIP

BHUTAN – DENMARK

2014

During the last 30 years Bhutan has developed tremendously. Bhutan has undertaken a democratisation process, introduced good governance and rule of law; has managed a considerable reduction of poverty, has a well-established health system, wide access to safe drinking water and almost all children go to school. Denmark has been a partner in this process.

In light of Bhutan's substantial progress Denmark has phased out its development program, but the two countries have decided to continue a broad collaboration in other areas.

BHUTAN – DENMARK

Bhutan has seen great progress in all areas over the past decades. Modern institutions have been built, a process of democratisation has taken place, and the economy has grown and become more broad-based. All this progress has happened under Bhutanese leadership and based on the country's own visions and plans. As the second largest development partner – only India has contributed more – Denmark has played a significant role in this process. Total Danish assistance has amounted to 1.7 billion DKK. Results have been impressive. Development cooperation between Bhutan and Denmark has covered almost all aspects of society: Health, education, water supply and sanitation, telecommunication, environmental protection good governance, culture, gender equality, media and civil society. Capacity development and training have played a central role in the partnership. This is an important factor behind present day Bhutan's ability to take responsibility for its own further development. The Danish approach has served as a model for other development partners.

BHUTAN

Bhutan is located in the Himalayas between India and China. The country's total area is approximately 40,000 square kilometers; the size of the population is 750,000, Gross National Income per capita 2,460 USD. Since the 1960ies the country has opened itself to the outside world, has gone through a planned modernization process and is now a democratic constitutional monarchy. The economy is based on agriculture, forestry and tourism. The most important source of revenue is export of hydro-electric power to India. Bhutan has become internationally known for the concept of Gross National Happiness, which expands the traditional Gross National Income concept with cultural and environmental values as well as indicators of good governance.

PROGRESS AND RESULTS IN DANISH-BHUTANESE DEVELOPMENT COOPERATION

Bhutan's Gross National Happiness concept consists of four pillars:

- Sustainable and equitable socio-economic development
- Conservation and promotion of a vibrant culture
- Environmental protection and natural resource management
- Good governance and decentralisation.

Denmark has supported Bhutan within all four areas.

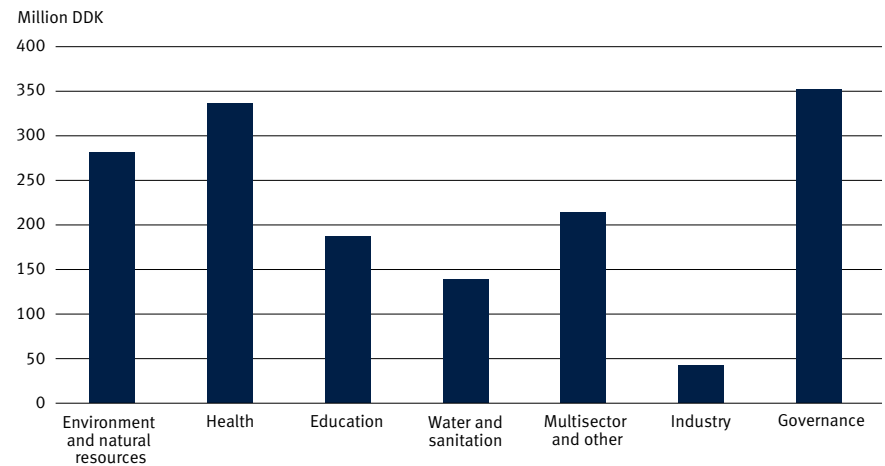
1. Equitable socio-economic development

Poverty reduction

For both countries poverty reduction has been the overall development objective. This objective has been achieved; poverty has been reduced more and faster than in other countries in the region.

DANISH DEVELOPMENT ASSISTANCE

Denmark has provided development assistance to Bhutan for more than 30 years. Bhutan has been a partner country since 1989. Development cooperation is phased out as of 2014.



Health

Denmark has been a prominent development partner in the health sector. Impressive progress has been achieved, including in maternal and child health. The majority of the Danish funds have been allocated to basic health care, and access by the rural population to health services has

improved considerably. Denmark has also supported education of medical doctors and nurses. Bhutan's commitment to ensuring good health for its citizens has been essential for this success. The Constitution stipulates free access to basic health services.

Figure 1
Poverty reduction in Bhutan in a regional perspective

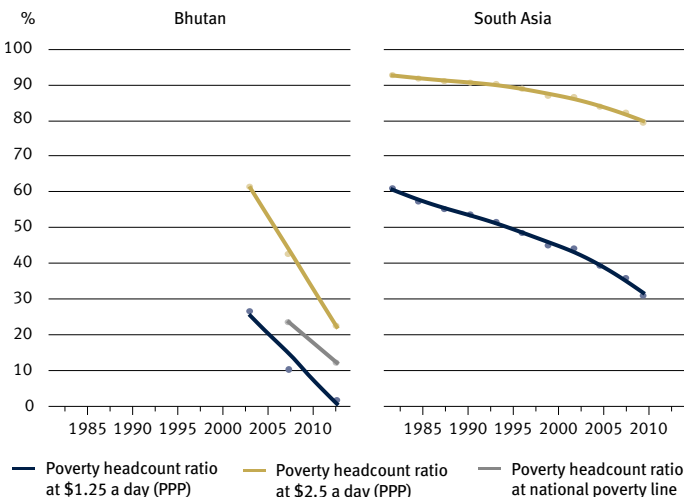
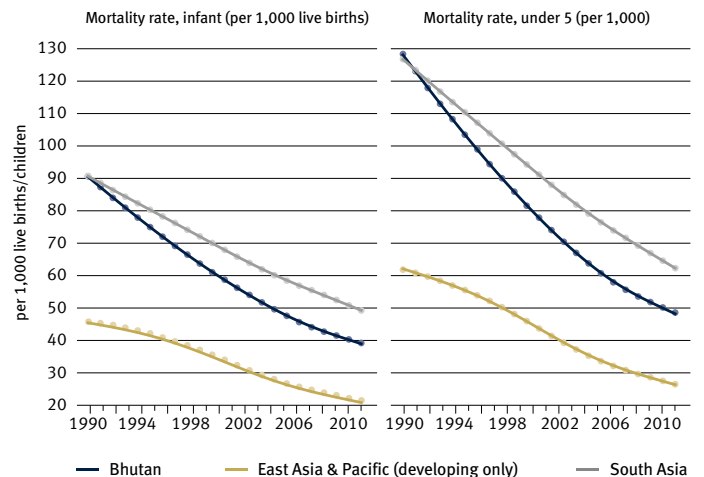


Figure 2
MDG 4.A. Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate



Water supply and sanitation

Denmark has played a role in ensuring access to drinking water for almost the whole population, while coverage with sanitation stands at 66 per cent. The incidence of water borne diseases has declined significantly. In the 1990ies Denmark supported the construction of Bhutan's first wastewater treatment plant in Thimpu and later in six other towns.

Education

Equal access to education and further training on the basis of merit is enshrined in Bhutan's Constitution. Almost all children attend school, and the country has succeeded in becoming almost self-sufficient in teachers, starting from dependency on expatriate teachers. Danish assistance has supported the education sector in general terms and specifically been focused on school buildings, teacher training and planning. Denmark has also supported vocational training, which is of particular importance in light of Bhutan's endeavors to build a productive business sector.

Urban development

Danish assistance has been instrumental in Bhutan's success in avoiding urbanisation problems seen in many other countries. Support has been given to urban planning and management – which as a side effect has promoted democracy and decentralisation. Concrete interventions have included construction and maintenance of roads, foot paths, street lights, and solid waste disposal sites as well as urban water supply.

Business development

Danish support has primarily been granted to companies within cement, agriculture and woodcraft as well as to capacity development of Bhutan Chamber of Commerce and Industry and a small number of business-to-business projects within woodcraft, pharmaceuticals etc.



Bhutan National Library

2. Culture

Denmark has supported Bhutanese cultural development – traditional as well as new. The media sector has consequently developed, and now Bhutan has a number of newspapers and radio stations, one television station, and the internet. Media

have played an important role in the country's democratisation process, not least by expanding citizens' awareness of their rights. Denmark has also given support to projects within museums, film and textiles.

Figure 3
MDG 5.A. Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio

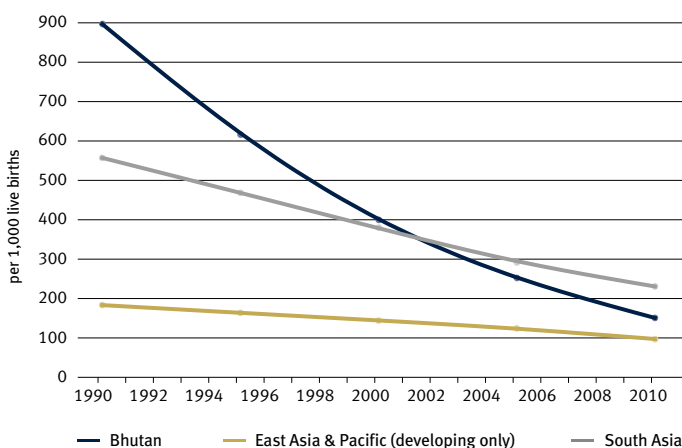
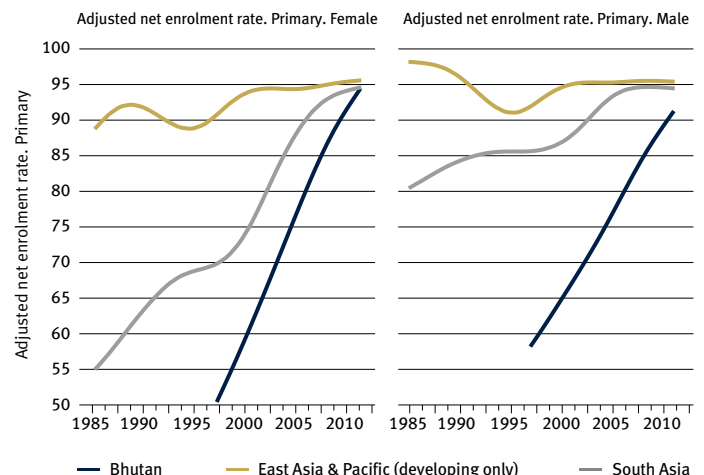


Figure 4
MDG 2.A. Catching up at full speed – Net enrolment rate 1985-2012



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The report is the result of collaboration between the Gross National Happiness Commission of Bhutan and the Danish Ministry of Foreign Affairs. It documents Bhutan's progress and the role played by Danish development cooperation. The report is based on existing evaluations and project/programme reviews.

3. Environmental protection and natural resource management

Bhutan is seen as the most environment conscious country in the world and environmental protection is enshrined in the Constitution. Danish assistance has contributed to the integration of environmental considerations in Bhutanese planning at all levels. With Danish support Bhutan has developed the necessary legislation, strategies and guidelines and ensured their implementation. At the concrete level, Denmark has financed scholarships, education and training as well as buildings, land cover maps and a soil survey. Assistance has been given to the Land Commission to develop a pro-poor national land policy and an updated land registry. Bhutan has drafted a national strategy for low carbon development.

4. Good governance and decentralisation

Bhutan is today a constitutional monarchy, a democratic state based on the rule of law with respect for human rights and a more decentralised state structure. The Constitution delineates the powers of the Judiciary, the Executive and the Legislative branch of government. It defines the rights and duties of the citizens and affirms the upholding of the rule of law.

Denmark and Bhutan have cooperated in all three branches of government. Thus, Danish support has been given to upgrading of the Assembly Hall, to the National Assembly Secretariat, to cooperation between Bhutan's Parliament and the Danish Folketing and to the conduct of local elections etc. Within the Judiciary, Danida has played an important role in training and institutional development. Construction of District Courts has improved citizens' access to justice, and at the grass root level an Alternative Dispute Resolutions system has been established with Danish support. The Executive has been supported in setting up a personal tax system, which has paved the way for a more broad based tax collection. Further-



Natural resource management. More than 70 per cent of Bhutan is covered by forest

more assistance has been given to the Royal Audit Authority and the Anti-corruption Commission.

Bhutan's decentralisation has been supported through strengthening of the capacity of Local Government officials. Support has also been given to improvement of the functioning of the Annual Grant Facility.

TOWARDS A NEW PARTNERSHIP

In light of Bhutan's positive development economically and politically, the Danish Government in 2008 took the decision to phase out development assistance. A so-called Transition Support Program 2011-2014 has allowed a proper completion of the activities, including through strengthening of planning and monitoring mechanisms. The Transition Program has supported public participation, transparency and accountability of local governments.

An important part of the Program has been the establishment of partnerships between Bhutanese and Danish institutions, organisations, companies, and individuals.

Examples are the Bhutan Chamber of Commerce and Industry, the Bhutan Olympic Committee, the National Museum and the Motion Pictures Association – all with partner organisations in Denmark. As was the case during the time of development cooperation, these partnerships have been set up according to Bhutanese wishes.

In 2012 representatives of the two countries signed the "Framework for Continued Danish-Bhutanese Partnership" based on a shared appreciation of the strong relations, the longstanding partnership and the close cooperation between the two countries. The Framework includes political cooperation and dialogue based on shared values concerning global security, democracy, and respects for universal human rights and rule-based international cooperation. Further, the Framework envisages possible cooperation between political parties, the two Parliaments, local governments and media. Environment and climate change are a shared priority concern and a focus area for cooperation as well as cooperation within commercial, educational, cultural, scientific and technical areas.