

Summary of Key Messages from Bhutan's Second VNR Report on the SDGs

While Bhutan's progress towards implementing the Sustainable Development Goals (SDGs) has been impacted by the COVID-19 pandemic, it has handled the situation well—given strong preventative and inclusive response measures in place since early 2020. A total of 1111 positive cases were recorded as of 2nd May 2021, of which 117 were active, and only one related death. More than 93% of the eligible population have been vaccinated and efforts to ensure administration of the second dose are underway.

An Economic Contingency Plan of Nu. 4.492 billion provides priority support to the tourism and construction sectors, agriculture and livestock production, and towards stocking essential food and non-food items. The Druk Gyalpo's Relief *Kidu*—an important social protection prerogative of His Majesty the King—has helped sustain livelihoods of about 52,644 individuals, besides supporting interest payment of more than 139,096 loan account holders. Several monetary and fiscal measures are also in place.

Meanwhile—with Bhutan's Gross National Happiness (GNH) philosophy resonating strongly with the SDGs and forming the basis of its Five-Year Plans (FYP)—priority concerns identified in its first Voluntary National Review (VNR) report continue to be addressed through the 12th FYP (November 2018-October 2023). The *Dewa Platform*, an integrated dashboard to monitor GNH, SDGs and FYP progress, has also been developed.

Towards ensuring quality and inclusiveness of key social outcomes, a health flagship programme is under implementation. National policies on gender equality, disabilities, and mother and child health have been endorsed. Flagship programmes on sustainable tourism, organic agriculture, cottage and small industries, and digital transformation are being implemented to enhance productive capacity of the economy.

Bhutan's smooth transition strategy for graduation from Least Developed Country (LDC) category by 2023 is being prepared; and a *21st Century Economic Roadmap* is currently under formulation. Meanwhile, emphasis on improved efficiency and sustainable use of natural resources will be reinforced by the recently developed *Sustainable Consumption and Production Strategy*.

A national climate change policy, REDD+ strategy, and updated environment strategy, among others, have been adopted as part of efforts to manage climate change impacts. Bhutan has submitted its Third National Communication to the UNFCCC and is developing its second Nationally Determined Contribution alongside sectoral low-emission strategies. Gender-climate analyses have been initiated; and a roadmap for disaster risk management is in place.

However, impacts of the pandemic have been deep and far-reaching. While GDP had grown from 3% in 2018 to 5.46% in 2019, and was projected at 6.9% in 2020, growth projection decelerated to -6.1% by year-end given containment measures. A large number of people dependent on tourism and allied sectors were displaced, and many Bhutanese working overseas returned home. Overall unemployment reached 5% in 2020 as compared to 2.7% in 2019; and youth unemployment, a long-standing concern, has reached an all-time high of 22.6% as compared to 11.9% in 2019.

Domestic violence and protection issues form an integral part of the COVID-19 mitigation and response framework. Issues of online safety, cyber security and the digital divide were highlighted, as education and public services went online. Concerns over food and nutrition

security were amplified as weaknesses in value chain management and distribution became apparent. The health system's capacity to deal with a prolonged pandemic is an additional concern—with epidemiological changes already placing pressure on the sustainability of free healthcare services.

Meanwhile, Bhutan remains highly vulnerable to climate change impacts and natural disasters, which pose serious threats to its nature-dependent livelihoods and hydropower- and agriculture-based economy. As it maintains its carbon neutral status in the face of mounting pressure to accelerate economic growth, the additional burden of adaptation and mitigation entail huge costs.

Going forward, Bhutan is drawing important lessons from the pandemic—including the need and possibilities for long-term, transformative and green solutions for its food system, local economy, public services delivery, approaches to learning, data ecosystem, and preparedness for disasters and future pandemics. Therefore, while working to “build back better”, Bhutan remains committed to accelerating the SDGs so that progress towards an inclusive, low-carbon and resilient development pathway—as envisioned by its GNH approach—is sustained.