

**Statement**  
**by**  
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**Bhutan**

**14<sup>th</sup> Session of the CSD**  
**Ministerial Interactive Discussions on**  
**“The Way Forward”**

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**New York**

Mr.Chairman, distinguished delegates, ladies and gentlemen :

Bhutan is very happy to participate in the 14<sup>th</sup> Session of the Commission on Sustainable Development. The thematic discussions on energy for sustainable development, industrial development, air pollution/atmosphere and climate change are key issues that need to be addressed if we are to leave a better world for the future generation.

The world today is seeing an unprecedented demand for energy. The global search for more and more energy sources is driven by mankind's desire to propel economic growth. Energy demand is projected to increase by 60% over the next 25 years, mostly in developing countries. This insatiable thirst for energy, especially in the developing countries has made them highly vulnerable to energy shocks due to rise in the price of the conventional fossil fuels and other impacts like global warming, climate change and environmental degradation. Carbon sequestration and nuclear have been identified as some of the measures by developed countries to provide clean energy and hopefully take care of the environment. Enhancing energy security has, therefore, gained center stage and forms a major part of the foreign policy of many developed and developing nations today.

Mr.Chairman and distinguished delegates.

In Bhutan, our central development philosophy is based on the concept of maximizing gross national happiness or GNH. The guiding principles of GNH are (i) Sustainable socio-economic development, (ii) promotion of culture, (iii) Good Governance and (iv) conservation of the environment. It places people and the sustainable use of the environment at the center of all development. The thematic discussions in the 14<sup>th</sup> CSD blend well with our concept of GNH.

Bhutan is a landlocked mountainous country. Fortunately, we are blessed with abundance of water. This is slowly being tapped to generate hydropower both for domestic use and export of electricity. Bhutan's key to sustainable development lies in our ability to harness the hydropower resources to stimulate economic growth, reduce poverty and earn the much needed foreign exchange. Yet, this very source of clean sustainable energy is being threatened on account of global warming as our glaciers, the source of Bhutan's perennial rivers, are receding. Bhutan, a country that places environment at the centre stage of socio-economic development, is not being spared its share of global warming effects for no fault of hers. Our first National Communication to the UNFCCC shows that Bhutan is a net sequester of GHG on account of her large forest cover.

We have developed master plans that would enable Bhutan to come up with the proper policy, encourage the development of renewable energy to contribute to socio-economic development, provide alternative and clean energy supply options from renewable resources, and foster use of energy efficient

technologies and demand side management. These objectives and strategies are being implemented through adoption of appropriate policies, power sector reforms, and specific development plans for hydropower, solar systems, and biomass technology. We have also introduced appropriate reforms and legislations to promote industrial development in a sustainable environment friendly manner. For any sort of development to take place, we realize that provision of adequate energy is the key. It is a prerequisite for poverty alleviation and achieving the MDGs. We have a vision to provide "Electricity for all" by 2020. This is not just aimed at providing a clean source of energy but also as a means to reduce on the consumption of fuel wood. We are currently one of the largest per capita consumer of fuel wood.

Mr.Chairman :

For the LDCs, the major barrier to sustainable energy is financing. Renewable energy technologies are expensive and the cost of supply high. The Clean Development Mechanism under the Kyoto Protocol, has given some hope for access to financing. However, this is also not straight forward as procedures are cumbersome, transaction costs are high and additionality requirements are difficult to fulfill.

In conclusion, Mr.Chairman and distinguished delegates, I would like to submit the following recommendations for consideration by the 14<sup>th</sup> session of the commission on Sustainable Development as the Way Forward :

1. Renewable energy must be encouraged with appropriate reforms and policies to combat climate change and global warming.
2. Special needs of LDCs for financing capacity building and technology transfer must be supported.
3. ODAs and soft loans are necessary to make renewable energy technology affordable and available to the rural masses for poverty alleviation.
4. Regional cooperation in the form of transmission and gas grids are necessary for optimal supply of energy.
5. The CDM transaction costs and additionality requirements need to be relaxed.
6. All nations must support climate change mitigation measures for the environmental well being.

I thank you for your kind attention.