

PRESS RELEASE

Local Governments' receive more support from Denmark and UNDP/UNEP

With the enactment on 11 September 2009 of the Local Governments' Act of Bhutan 2009 a new chapter in the continued decentralization and devolution of authority, functions and finances of local governments' has begun. The Act furthers the concept of democratic and decentralized governance by facilitating *“direct participation of the people in the development and management of their own social, economic and environmental well being through decentralization and devolution of power and authority”*. Environmental well being, amongst others, is, however, challenged by the changing climate, increasing temperatures, unpredictable weather patterns, vanishing water sources and limited human and technical capacity.

The Government of Denmark, the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) will together support the Royal Government of Bhutan in its endeavour to maximize direct participation of the people in the development and management of their own social, economic and environmental well being and minimize the negative impacts of a changing environment.



Signing event of JSP (from left): UN Resident Coordinator - Ms. Claire Van der Vaeren, GNHC Secretary - Mr. Karma Tshiteem, and Head of LOD - Mr. Henrik A. Nielsen.

A new Agreement on Danish support of DKK 70 million (approximately Ngultrum 600 million) was signed on 20th November 2009 between Mr. Karma Tshiteem, Secretary, Gross National Happiness Commission and Mr. Henrik A. Nielsen, Counsellor, Head of Liaison Office of Denmark, Thimphu. The Sustainable Environment Support Programme (SESP) focusing on local government is composed of two components. The major component, 57% or DKK 40 million (approximately Nu.367 million), of the grant support is provided as sector budget support for capital investments of the local governments' 10th plan activities. Using the Annual Grants

Guidelines for Local Governments the funds will be mixed with funds from the government and other sources for the implementation of the local governments' 10th plan activities.

The second component is designed as Joint Support for Capacity Development on mainstreaming environment, climate change and poverty concerns into policies, plans and programmes. Denmark will grant DKK 20 million (Nu. 184 million) and the joint UNDP/UNEP Poverty and Environment Initiative (PEI) program will contribute US\$ 860,000 (approximately Nu. 40 million). Support under this partnership initiative is intended for enhancing the capacity of national and local government functionaries, private sector and civil society organizations in addressing poverty and environment challenges in an integrated manner. The Joint Support Programme has been initiated to enhance harmonization and alignment of support to the government by the development partners. The programme will be implemented over a period of 4 years beginning January 2010.