

### The Poverty-Environment Initiative (PEI) in Bhutan

"Gross National Happiness" in Bhutan is used in place of 'Gross Domestic Product' where social, environmental and cultural factors define the quality of life. This development philosophy has received global recognition, but meeting future development needs without compromising the environment remains a great challenge. Currently, Bhutan has a forest cover of 72.5 percent and protected areas cover 51.44 percent of the country. Bhutan's socio-economic growth is driven by sectors dependent on the environment.

Electricity generated by hydropower is used by more than 70 percent of the population. Agriculture and forestry provide a livelihood and employment for 60 percent of Bhutan's population. The Poverty-Environment Initiative focuses on integrating environment, climate and poverty into Bhutan's policies, plans, programmes and budgets to achieve a greener, more inclusive and more sustainable development path. PEI Bhutan, known as the "Joint Support Programme" (JSP) is coordinated by the Gross National Happiness Commission and supported by Denmark.

# A green, inclusive development plan to make Sustainable Development real

Project time-frame: March 2010 to December 2013

### Supporting a Greener, happier and more inclusive development path

The 11th Five Year Development Plan (2013-2018) which is currently under preparation aims, among other goals to make Bhutan a Carbon neutral, socially inclusive country. Through PEI's support, mainstreaming poverty and environment into key Government's planning and budgeting procedures has been achieved. This means greener government policies which translates to more sustainable development.

### Building central and local governments capacity to achieve a green, inclusive development

Through training provided to civil servants from all over the country, PEI has strengthened national and local level capacity to take into consideration environment, climate and poverty issues when undertaking local and central government's planning.

## **Supporting a Reference Group to mainstream the Environment, Climate and Poverty**

PEI in partnership with AusAID and Griffith University, supported the creation of a Mainstreaming Reference Group will work to make government greener. The Group which is comprised of key ministries/agencies will work to integrate environmental considerations across government, such as screening Bhutan's policies to make sure that sustainable development opportunities are not missed.

### **Undertaking a Public Environmental Expenditure Review (PEER)**

This study provides an "environmental spending map" for the government which gives a good indication of money spent for achieving development goals. From the study Bhutan is able to better coordinate and compliment the work of different ministries; it can examine how its fiscal policies contribute to sustainable development; and how government can promote greener investments which create jobs while protecting the environment.



PEI Bhutan aims at supporting the efforts of the Royal Government of Bhutan to achieve truly Sustainable Development

#### **Strengthening Climate Finance Mechanisms**

PEI is collaborating with UNCDF Local Climate Adaptive Living Facility (LoCAL) on performance based grant mechanism to pilot pro-poor, environmentally sustainable and climate resilient Local Government interventions.

#### **Greening non-formal education (NFE)**

80 non-formal education instructors were trained on a new curriculum related to renewable energy, rain water harvesting and biogas. This is expected to reach out to more than 700 NFE learning centers across the country.

### Supporting sound research on sectors relevant to a Greener Economy

PEI supported research such as a feasibility study on "Eco-efficient transport in Thimphu".

#### **Working strategically**

Coordinated by the Gross National Happiness Commission, and in close partnership with DANIDA, the various activities of PEI/JSP are being implemented through a range of different government agencies, and Civil Society and Non Governmental Organizations.

#### For more information

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