



# BHUTAN

## Voluntary National Review 2025

Guided by **Gross National Happiness**, Aligned with the **Global Goals**, Committed to **Leaving No One Behind**





# BHUTAN'S

## 3<sup>rd</sup> Voluntary National Review Report on the Implementation of the 2030 Agenda for Sustainable Development

Guided by **Gross National Happiness**, Aligned with the  
**Global Goals**, Committed to **Leaving No One Behind**

June 2025

Royal Government of Bhutan

United Nations High-Level Political Forum 2025





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**ROYAL GOVERNMENT OF BHUTAN**

**Cabinet Secretary**

## Foreword

The Royal Government of Bhutan is honoured to present its third Voluntary National Review (VNR) on the implementation of the 2030 Agenda for Sustainable Development at the United Nations High-Level Political Forum 2025. This report builds on the findings of the previous VNRs in 2018 and 2021 and reflects Bhutan's continued commitment to inclusive, equitable, and sustainable development, anchored in our unique development philosophy of Gross National Happiness.

This year's review is especially significant as it follows Bhutan's historic graduation from the Least Developed Country (LDC) category in 2023 and the launch of our 13th Five-Year Plan and Bhutan 21st Century Economic Roadmap. While we celebrate the progress made—such as the sharp reduction in poverty, universal access to safe drinking water, and climate leadership as the world's first carbon-negative country—we also acknowledge the challenges that lie ahead. Economic diversification, youth employment, data systems, and sustainable financing remain critical areas requiring renewed focus.

As we enter the final five years of the Decade of Action, Bhutan remains steadfast in its commitment to leave no one behind. We call upon our partners—local, regional, and global—to support our journey as we strive to build a resilient, inclusive, and happy Bhutan for current and future generations.

We extend our deepest gratitude to all stakeholders who contributed to this report. May it serve as a meaningful contribution to the global dialogue on sustainable development and as a reaffirmation of Bhutan's commitment to shared prosperity and planetary well-being.

*Kayde*  
**(Keshang Deki)**







## LIST OF ACRONYMS

<b>ACC</b>	Anti-Corruption Commission
<b>ACREWAS</b>	Advancing Climate Resilience of Water Sector
<b>AIDS</b>	Acquired Immunodeficiency Syndrome
<b>AMCH</b>	Accelerating Maternal and Child Health
<b>AMCHP</b>	Accelerating Maternal and Child Health Programme
<b>BAF</b>	Bhutan Agri-Sustain Fund
<b>BAU</b>	Business-As-Usual
<b>BCF</b>	Bhutan Climate Fund
<b>BCMD</b>	Bhutan Centre for Media and Democracy
<b>BENAP</b>	Bhutan Every Newborn Action Plan
<b>BITS</b>	Bhutan Integrated Tax System
<b>BMF</b>	Bhutan Media Foundation
<b>BRECSA</b>	Building Resilient Commercial Smallholder Agriculture in Bhutan
<b>BtCIRT</b>	Bhutan Computer Incident Response Team
<b>BTR</b>	Biennial Transparency Report
<b>CBIT</b>	Capacity Building Initiative for Transparency
<b>CCT</b>	Conditional Cash Transfers
<b>CDP</b>	Committee for Development Policy
<b>CEDAW</b>	Convention on the Elimination of all Forms of Discrimination Against Women
<b>CIT</b>	Chiba Institute of Technology
<b>CO2</b>	Carbon dioxide
<b>COP</b>	Conference of the Parties
<b>CPA</b>	Chithuen Phendey Association
<b>CPI</b>	Corruption Perceptions Index
<b>CRC</b>	Convention on the Rights of the Child
<b>CRPD</b>	Convention on the Rights of Persons with Disabilities
<b>CSE</b>	Comprehensive Sexuality Education
<b>CSIs</b>	Cottage and Small Industries
<b>CSO</b>	Civil Society Organisation
<b>CSOs</b>	Civil Society Organizations
<b>DECC</b>	Department of Environment and Climate Change
<b>DESA</b>	United Nations Department of Economic and Social Affairs
<b>DITT</b>	Department of IT and Telecom
<b>ECCD</b>	Early Childhood Care and Development
<b>eCMS</b>	Electronic Customs Management System
<b>EDB</b>	Economic Development Board
<b>ESCAP</b>	Economic and Social Commission for Asia and the Pacific
<b>ESP</b>	Economic Stimulus Programme
<b>ETF</b>	Enhanced Transparency Framework
<b>ETP</b>	Economic Transformation Programme
<b>EVs</b>	Electric Vehicles
<b>FAO</b>	Food and Agriculture Organisation
<b>FDI</b>	Foreign Direct Investment
<b>FREL</b>	Forest Reference Emission Level
<b>FSW</b>	Female Sex Workers
<b>FTA</b>	Free Trade Agreement
<b>FY</b>	Fiscal Year
<b>FYP</b>	Five Year Plan
<b>G2B</b>	Government to Business
<b>G2C</b>	Government to Citizen
<b>G2G</b>	Government to Government
<b>GBV</b>	Gender-based Violence
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility





<b>GEPA</b>	Gender Equality in Public Administration
<b>GHG</b>	Greenhouse Gas
<b>e-GIF</b>	Electronic Government Interoperability Framework
<b>GLOFs</b>	Glacial Lake Outburst Floods
<b>GNH</b>	Gross National Happiness
<b>GNHC</b>	Gross National Happiness Commission
<b>GovTech</b>	Government Technology Agency
<b>GST</b>	Goods and Services Tax
<b>HEDCP</b>	Health Emergency & Disaster Contingency Plan
<b>HFC</b>	Hydrofluorocarbon
<b>HISCs</b>	Health Information and Services Centers
<b>HIV</b>	Human Immunodeficiency Virus
<b>HLPF</b>	High-Level Political Forum
<b>HOPE</b>	Hospital Preparedness for Emergencies
<b>HRWS</b>	High-risk Working Sites
<b>ICMA</b>	Information, Communication and Media Act
<b>ICT</b>	Information and Communication Technology
<b>ID</b>	Identity
<b>INFF</b>	Integrated National Financing Framework
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IPs</b>	Industrial Parks
<b>IT</b>	Information Technology
<b>JDWNRH</b>	Jigme Dorji Wangchuck National Referral Hospital
<b>LDC</b>	Least Developed Country
<b>LEDs</b>	Low Emission Development Strategies
<b>LGBTQ+</b>	Lesbian, Gay, Bisexual, Transgender, Queer/Questioning
<b>LGs</b>	Local Governments
<b>LIFE-AR</b>	LDC Initiative for Enhanced Adaptation and Resilience
<b>LLDC</b>	Landlocked Developing Country
<b>LNOB</b>	Leaving No One Behind
<b>LTS</b>	<i>Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy</i>
<b>MCH</b>	Mother and Child Health
<b>MMS</b>	Multiple Micronutrient Supplements
<b>MoAL</b>	Ministry of Agriculture and Livestock
<b>MoE</b>	Ministry of Education
<b>MoENR</b>	Ministry of Energy and Natural Resources
<b>MoESD</b>	Ministry of Education and Skills Development
<b>MoF</b>	Ministry of Finance
<b>MoFA</b>	Ministry of Foreign Affairs
<b>MoH</b>	Ministry of Health
<b>MoICE</b>	Ministry of Industry, Commerce and Employment
<b>MoIT</b>	Ministry of Infrastructure and Transport
<b>MoU</b>	Memorandum of Understanding
<b>MPGs</b>	Modalities, Procedures and Guidelines
<b>MRV</b>	Measurement, Reporting and Verification
<b>MSAP</b>	Multi-Sectoral Action Plan
<b>MSM</b>	Men who have Sex with Men
<b>MT</b>	Metric Ton
<b>MTDMS</b>	Medium-Term Debt Management Strategy
<b>MW</b>	Megawatt
<b>NAP</b>	National Adaptation Plan
<b>NAPA</b>	National Adaptation Programme of Action
<b>NCCC</b>	National Climate Change Committee
<b>NCDs</b>	Non-communicable Diseases
<b>NCWC</b>	National Commission for Women and Children
<b>NDC</b>	Nationally Determined Contribution







<b>NDI</b>	National Digital Identity
<b>NEC</b>	National Environment Commission
<b>NEP</b>	National Education Policy
<b>NHS</b>	National Health Survey
<b>NIMHANS</b>	National Institute of Mental Health and Neuro Science
<b>NIPPRP</b>	National Influenza Pandemic Preparedness and Response Plan
<b>NKRAs</b>	National Key Result Areas
<b>NSB</b>	National Statistics Bureau
<b>The PEMA</b>	The PEMA Secretariat
<b>PMO</b>	Prime Minister's Office
<b>PP</b>	Pre-primary
<b>PPP</b>	Public-Private Partnership
<b>PWDs</b>	Persons With Disabilities
<b>RBP</b>	Royal Bhutan Police
<b>RENEW</b>	Respect, Educate, Nurture, and Empower Women
<b>RGoB</b>	Royal Government of Bhutan
<b>RMNCAH</b>	Reproductive Maternal Newborn Child and Adolescent Health
<b>RNR</b>	Renewable Natural Resource
<b>SBCC</b>	Social Behavioural Communication Change
<b>SCP</b>	Sustainable Consumption and Production
<b>SDGs</b>	Sustainable Development Goals
<b>SDI</b>	Service Delivery Indicator
<b>SDS</b>	Sustainable Development Services
<b>SEN</b>	Special Education Needs
<b>SOEs</b>	State-Owned Enterprises
<b>SoFC</b>	State of Forest Carbon
<b>SoP</b>	Standard Operating Procedures
<b>SSBs</b>	Sugar-sweetened Beverages
<b>STEM</b>	Science, Technology, Engineering, and Mathematics
<b>STI</b>	Science, Technology and Innovation
<b>SUDs</b>	Substance Use Disorders
<b>TB</b>	Tuberculosis
<b>TG</b>	Transgender Individuals
<b>TNC</b>	Third National Communication
<b>TVET</b>	Technical and Vocational Education and Training
<b>UN</b>	United Nations
<b>UN-Water</b>	United Nations Water
<b>UNDESA</b>	United Nations Department of Economic and Social Affairs
<b>UNDP</b>	United Nations Development Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UPR</b>	Universal Periodic Review
<b>US</b>	United States
<b>USD</b>	United States Dollar
<b>VAWG</b>	Violence Against Women and Girls
<b>VNR</b>	Voluntary National Review
<b>WAIPA</b>	World Association of Investment Promotion Agencies
<b>WASH</b>	Water and Sanitation
<b>WHO</b>	World Health Organisation







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# Executive Summary

Bhutan's third Voluntary National Review (VNR) presents a comprehensive assessment of the country's progress in implementing the 2030 Agenda for Sustainable Development. Building on the findings of the 2018 and 2021 VNRs, the 2025 report reviews progress made across all 17 Sustainable Development Goals (SDGs), with an in-depth thematic analysis of five prioritised goals: SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals). Guided by its unique development philosophy of Gross National Happiness (GNH), Bhutan's third VNR reaffirms the country's global leadership in sustainable development and climate action. As the world's first carbon-negative nation and a recent graduate from the Least Developed Countries (LDC) category, Bhutan's VNR 2025 reflects both its achievements and the challenges of sustaining progress in a rapidly evolving global context. The review also outlines the way forward and the support required to accelerate progress on SDG implementation.

## Methodology and Inclusivity

The VNR process was firmly grounded in the principles of inclusiveness, participation, and evidence-based review. Following the UNDESA's 2025 Handbook for VNRs, the preparation involved extensive consultations with stakeholders across government ministries, autonomous agencies, civil society organisations (CSOs), development partners, the private sector, youth, and the media. Special efforts were made to ensure the inclusion of women, persons with disabilities, and other marginalised groups.

Stakeholder engagement was conducted through bilateral meetings, focus group discussions, and written submissions. The process also entailed the use of the ESCAP-supported LNOB (Leave No One Behind) analytical tool, using nationally sourced data. The VNR emphasises the interlinkages across goals and the centrality of the LNOB principle, using disaggregated data and intersectional analysis to identify and support the furthest behind, reinforcing Bhutan's commitment to equity and inclusion in development.

## Key Achievements Since VNR 2021

Bhutan has demonstrated impressive progress on most SDGs since 2015. Since its last VNR in 2021, Bhutan has made notable progress in SDG integration and implementation. Significant progress has been made across goals related to health, education, clean energy, peace and justice, and water and sanitation. Bhutan continues to be recognised internationally for its environmental stewardship and commitment to climate action, with forest cover of over 69% and maintaining its carbon-negative status.

Bhutan's graduation from LDC status in 2023 marks a major national milestone. The 13<sup>th</sup> Five-Year Plan (FYP) serves as a critical mechanism to ensure a smooth and sustainable post-LDC transition. Its strategic objectives - including achieving high-income status by 2034, promoting social equity, and fostering resilient governance - are carefully aligned with both national priorities and Bhutan's international commitments under the 2030 Agenda.



## Specific achievements include:



- Bhutan's progress on poverty reduction has been remarkable, with the poverty rate declining from 28% in 2017 to 11.6% in 2022. With negligible extreme poverty in the country (0.4% of the population is subsistence poor), and with the national poverty rate reduced by over 50% between 2017 and 2022, Bhutan remains firmly on track to achieving the SDG targets 1.1 and 1.2.



- Substantial reductions in maternal and child mortality rates, with Bhutan achieving SDG targets for maternal, under-five, and neonatal mortality.



- Launch of Bhutan Climate Fund and Carbon Market initiatives in 2023, complementing climate finance mobilisation efforts.



- Enhanced gender equality frameworks and improved services for women and girls, including efforts to address gender-based violence through a multi-sectoral approach.



- Bhutan's success in forging new international partnerships, including the G-Zero Forum and new diplomatic and trade relations.



- Recognition by UN-Water for exemplary progress on SDG 6, with near-universal access to improved drinking water and sanitation.



- Expanded digital governance initiatives, such as the launch of the Bhutan National Digital Identity and national e-government frameworks.









advancing the SDGs, and to sustain progress, Bhutan underscores the need for continued international support in the following areas:

- i. **Accelerate the implementation of the 13<sup>th</sup> FYP and the Bhutan 21<sup>st</sup> Century Economic Roadmap:** To accelerate progress on the SDGs, Bhutan must prioritise the efficient and timely implementation of its 13<sup>th</sup> FYP and the Bhutan 21<sup>st</sup> Century Economic Roadmap. These are not only a strategic development blueprint but also Bhutan's principal vehicle for economic recovery, green transformation, and inclusive growth. Implementation must be pursued with urgency and enhanced coordination across all levels of government. Key national programmes, such as the Economic Transformation Programme, the 21<sup>st</sup> Century Skilling Programme, and the Ecological Resilience Programme, must be fully operationalised with vigour and clear delivery mechanisms.
- ii. **Enhance Domestic Resource Mobilisation and SDG Financing:** Bhutan must enhance domestic resource mobilisation and SDG financing to ensure the long-term sustainability of its development efforts. The gradual decline in official development assistance (ODA) necessitates innovative financing approaches. Bhutan has taken commendable steps by developing a Green Taxonomy and is in the process of finalising a Sustainable Financing Framework to support the issuance of green and social bonds. Exploring debt swaps, improving tax compliance, and fostering blended finance mechanisms will be critical to bridging the resource gap.
- iii. **Strengthen Health Systems, and address NCDs and Mental Health:** A strengthened and inclusive health system remains key to advancing SDG 3, particularly in addressing the rising burden of non-communicable diseases (NCDs) and mental health conditions. Investment in health infrastructure, human resources, and digital health systems must continue, along with integration of outreach services for hard-to-reach populations. Ensuring sustainable financing for essential health services is also imperative. To sustain and improve immunisation coverage, crucial for both communicable and non-communicable disease prevention, greater investment is essential. In the absence of continued investment in primary health care, there is a risk that the success trend seen in healthcare could be reversed in the future.
- iv. **Strengthen Partnerships and Innovation:** Bhutan must continue to foster inclusive, multi-stakeholder partnerships to support national development efforts. Public-private partnerships (PPP) and civil society engagement must be strengthened by creating enabling legal frameworks and collaborative platforms. Towards this, operationalisation of the Business Regulatory Process Review report is imperative. The country's digital transformation efforts must be sustained and scaled, particularly in e-governance, cybersecurity, and emerging technology applications. International cooperation must be deepened through diplomatic outreach, multilateral engagement, and regional integration, as exemplified by Bhutan's recent free trade agreements (for example, FTA with Thailand) and establishment of new diplomatic ties.
- v. **Strengthen SDG Data Coordination:** The VNR process has revealed persistent data gaps and coordination challenges, highlighting the urgent need for a national mechanism to strengthen collaboration between data producers and users. This mechanism should guide the development and use of SDG indicators, align with indicators used in national planning and sectoral strategies, and be supported by streamlined systems for data sharing and access. Furthermore, strengthening coordination between the national statistical systems and the UN statistical system remains essential to ensure alignment and validation of data in SDG monitoring.
- vi. **Foster Gender-Responsive Policies and Data Systems:** Advancing gender equality requires deepening gender-responsive policies and







closing persistent data gaps. Mainstreaming gender into planning, budgeting, and policy implementation must be increased. Strengthening the generation and use of sex-disaggregated data across all sectors will enhance evidence-based decision-making and support targeted interventions. The LNOB results provided in this report indicate the need for tailored education policies to close existing gender gaps, particularly in higher education and the STEM field. Lifelong learning opportunities can support literacy as well as digital and financial inclusion, especially among older women. Coordination with civil society organisations, grassroots actors and engaging men and boys will be vital to improve women's representation in decision-making positions, ensure inclusive delivery of services and the protection of vulnerable groups.

**vii. Boost Employment and Tackle Youth Migration:**

Addressing rising youth unemployment, especially in urban areas and among female youth, and outmigration will demand structural reforms in the labour market and education system. Tertiary and technical education systems are becoming better aligned with the needs of emerging sectors, including information and communication technology (ICT), green industries, and tourism. At the same time, entrepreneurship support should be expanded, particularly for women, youth, and persons with disabilities, through improved access to finance, mentorship, and skills training.

**viii. Invest in Climate Action and Resilience:** Bhutan must continue its leadership by scaling up the implementation of its National Adaptation Plan (NAP) and Long-Term Low Emission Development Strategy (LEDS). These strategic frameworks must be translated into actionable district and sector-level programmes, with priority given to localising adaptation through pilots such as the LIFE-AR initiative. Strengthening national capacity to access and manage climate finance, establishing transparent tracking systems for climate investments, and developing a comprehensive Monitoring, Reporting and Verification (MRV) system will be essential to monitor progress and maintain credibility under international climate frameworks.

However, as a carbon-negative country with minimal historical responsibility for global greenhouse gas emissions yet disproportionately affected by the adverse impacts of climate change, Bhutan faces significant challenges in mobilising the necessary resources to implement adaptation measures. Given the scale of financing required (USD 2.1 billion by 2030 and USD 3.2 billion by 2050), it is anticipated that a substantial portion of the adaptation financing will need to be mobilised through support from the international community, particularly via international climate finance mechanisms, multilateral development institutions, and bilateral partnerships.

**ix. Strengthen engagement with key stakeholders:**

Engagement must be strengthened with the media, development partners, civil society, and the private sector, to build momentum for accelerated SDG implementation.



**Bhutan's journey is a story of  
resilience, balance, and bold vision.**

Let us move forward – together - towards a future that is  
just, inclusive, and sustainable.

“

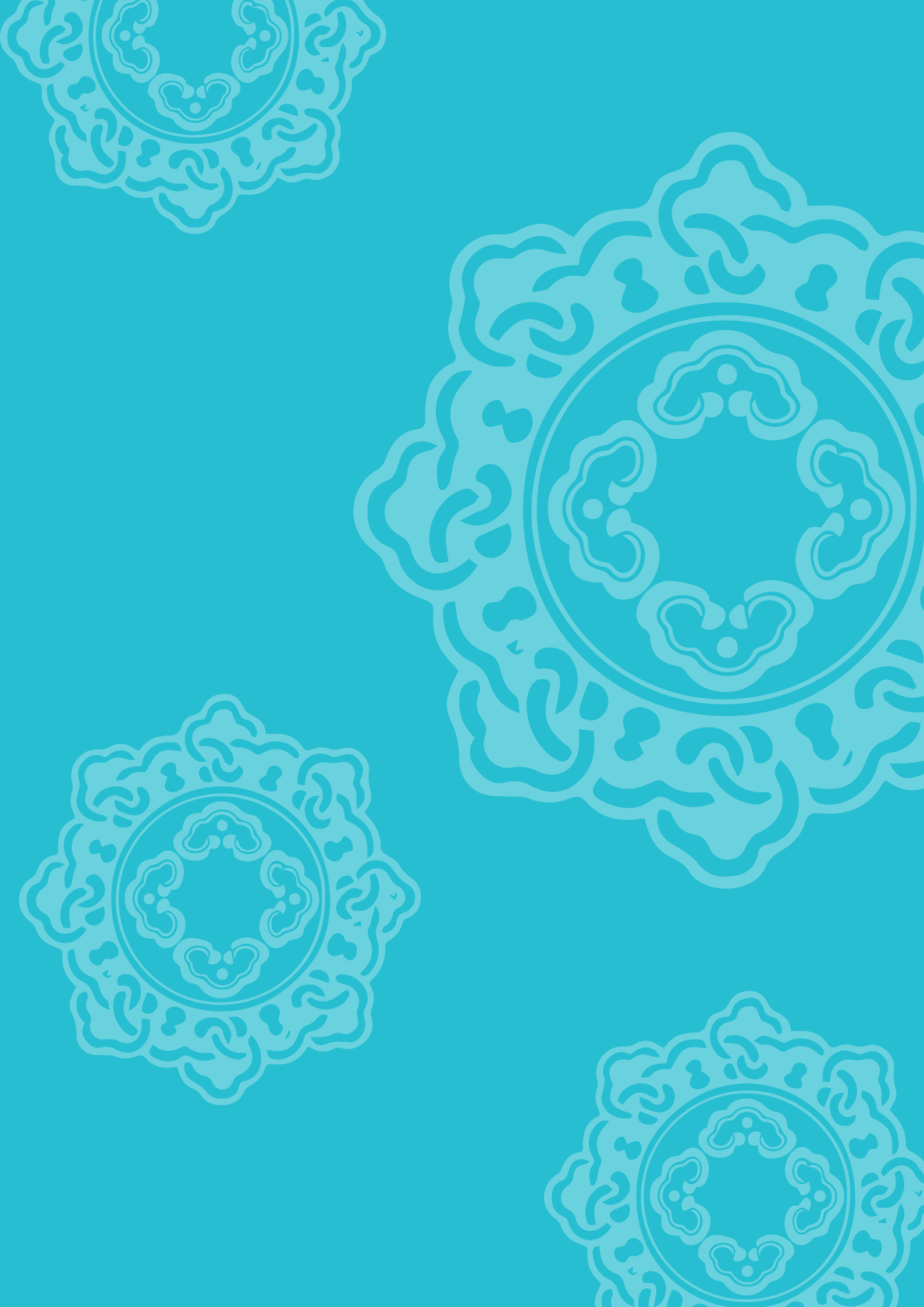
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*Committed to Leaving No One Behind.*

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# INTRODUCTION

# 1

## a. Context

Bhutan conducted its first comprehensive review of the SDGs progress and presented its Voluntary National Review (VNR) to the High-Level Political Forum (HLPF) in 2018. The report provided an overview of the progress made, policy reforms and initiatives undertaken, and challenges faced in working towards the 17 SDGs. Although it was not possible to assess the progress of each goal comprehensively in 2018 owing to a lack of data availability and inconsistencies in the adoption of SDG indicators, the review found that the 17 SDGs were broadly on track. Prepared against the backdrop of the COVID-19 pandemic, the second VNR report in 2021 was structured around the transformational process and building back better from the pandemic.

Continuing its commitment to accelerating the SDGs, Bhutan presents its Third VNR at the HLPF in 2025. The VNR 2025 seeks to build on the findings and lessons drawn from the previous VNRs. Through a participatory and inclusive process, the progress made on all SDGs, with a focus on in-depth thematic analysis of the 5 SDGs identified for discussion at the HLPF to be held this year, was reviewed. The 5 SDGs identified include SDG 3 (*good health and well-being*), SDG 5 (*gender equality*), SDG 8 (*decent work and economic growth*), SDG 13 (*Climate Action*)<sup>1</sup>, and SDG 17 (*partnerships for the Goals*).

Bhutan's development strategy is rooted in the philosophy of Gross National Happiness (GNH),

which shares deep synergies with the SDGs. Since the adoption of the 2030 Agenda, Bhutan has systematically integrated SDGs into its FYPs, culminating in the current 13<sup>th</sup> FYP (2024–2029).

With only five years remaining to achieve the aspirations of the 2030 Agenda, Bhutan underscores the critical importance of this moment as a time for deep reflection and strategic action. It is imperative to take stock of the progress made, identify the remaining gaps, and accelerate implementation with renewed dedication and unwavering commitment. The focus must now shift from awareness-building to concrete, results-oriented action. The urgency of the present demands that we move forward collectively and with purpose to realise the transformative promise of the SDGs.

## b. Objectives of the review

The report aims to inform the HLPF on Bhutan's position in harnessing the noble aspirations of the SDGs. Specifically, the report delves into sharing experiences on the adoption and integration of SDGs in national planning and policy frameworks; illustrating initiatives implemented since 2021 and the associated challenges; and sharing policy strategies and mechanisms, and the areas of support needed to advance the progress of the SDGs in the remaining five years.

<sup>1</sup> Considering the relevance to Bhutan's context, Bhutan has considered replacing SDG 14 with SDG 13 (Climate Action).







# METHODOLOGY AND PROCESS OF THE REVIEW

# 2

The preparation of Bhutan's VNR 2025 closely adhered to the methodology outlined in the *Handbook for the Preparation of Voluntary National Reviews, 2025 Edition*, developed by the United Nations Department of Economic and Social Affairs (UNDESA). The process was designed to be inclusive and participatory, engaging a wide range of stakeholders. These included representatives from key government institutions such as line ministries, autonomous agencies, parliamentarians, development partners, civil society organisations (including groups representing women and persons with disabilities), the private sector, youth, and the media.

Consultations were carried out through a series of in-person bilateral meetings and focus group discussions. In addition, to ensure broader participation within the limited timeframe, numerous stakeholders were invited to provide written contributions. These written inputs played a crucial role in shaping the VNR by contributing significantly to the information compiled. Relevant documents and data to support the review were also solicited from various entities; a comprehensive list of stakeholders consulted is provided in *Annexure 1*.

To guide the discussions, interview and consultation questions were developed based on an extensive content review of relevant national reports. Emphasis: The questions were aligned with the templates suggested in the UNDESA Handbook and were tailored to assess progress since the last review. They

focused on identifying key initiatives undertaken, challenges encountered, emerging issues, and responses being formulated, primarily through the 13<sup>th</sup> FYP, which serves as Bhutan's SDG localisation strategy. Consequently, the review process also entailed a thorough examination of the 13<sup>th</sup> FYP's programmes and priorities across all major sectors. The analytical framework guiding the VNR is grounded in the principles of GNH and the SDGs, with specific attention to the overarching themes of LNOB, gender equality and women's empowerment, and building sustainability and resilience.

Quantitative data on SDG indicators were primarily sourced from official publications of the relevant agencies, notably the National Statistics Bureau (NSB) of Bhutan. All data compiled were subsequently validated by both the contributing stakeholders and the NSB. A consolidated database covering goals, targets, and indicators is presented in *Annexure 2: Statistical Annexure*. Furthermore, to identify the furthest behind groups, several SDG indicators were disaggregated by applying the ESCAP LNOB algorithm to the latest editions of the Bhutan Living Standards Survey (2022) and Labour Force Survey (2022).

Through this structured and evidence-based methodology, the VNR 2025 seeks to present a comprehensive and analytical account of Bhutan's SDG implementation status, elucidating critical development challenges, their root causes, and the proposed pathways for sustainable progress.







# POLICY AND ENABLING ENVIRONMENT

# 3

## a. Integration of the SDGs in the national frameworks to drive transformation actions.

Bhutan adopted GNH as its guiding development philosophy that emphasises values beyond mere economic growth to realise the well-being of its people. Emphasis on the need to balance social, economic, environmental and cultural dimensions underpins Bhutan's pursuit of development. The 2018 and 2021 VNRs recognised the indivisible nature of GNH and the SDGs, with a high level of common goals and shared interests that enabled a seamless integration of SDGs into the country's development plans and policies.

Immediately after adopting the 2030 Agenda, a Rapid Integrated Assessment of Bhutan's 11<sup>th</sup> FYP (2013-2018) and SDGs was conducted. The assessment found that of the 143 relevant SDG targets, 134 were aligned with the indicators of the 11<sup>th</sup> FYP. Integration of the SDGs into the national development plan was continued in the formulation of Bhutan's 12<sup>th</sup> FYP, wherein 16 SDGs (except for SDG 14), along with 94 indicators, were found to be integrated into the 17 National Key Result Areas (NKRAs)<sup>2</sup>. Further, VNR 2021 found that the number of SDG indicators fully adopted by the government increased from 25% to 38% and partially adopted from 13% to 14%, from 2018 to 2021, respectively. As in the past, the 17 NKRAs of the 13<sup>th</sup> FYP are closely aligned with the SDGs. The current 13<sup>th</sup> FYP (2024-2029) has set the

following strategic objectives along the lines of Bhutan's 10-year goal of becoming a High Income GNH Economy by 2034<sup>3</sup>:

- i. Be a *high-income country* driven by innovation and sustainability (with a GDP of USD five billion).
- ii. Have a healthy and productive society founded on equitable and high-quality health, education and social protection.
- iii. Safeguard and strengthen its sovereignty, territorial integrity, security, unity, well-being, resilience and economic prosperity; and
- iv. Have a transformed and trusted governance ecosystem that drives accelerated economic growth and improves people's lives.

The priorities of the 13<sup>th</sup> FYP are carefully developed in response to the socio-economic needs of the country and considering its international commitments, including the SDGs, human rights instruments, and environmental agreements.

The VNR 2021 reported that although stakeholders were broadly aware of the SDGs, detailed understanding

<sup>2</sup> Power Point presentation by OCASC, RGoB.

<sup>3</sup> Thirteenth Five Year Plan, 2024-2029, RGoB





and capacity to align sector plans and programmes to the SDGs were limited. Similarly, the current VNR finds that the awareness of SDGs is not a critical constraint. However, the level of integration of SDGs into sector plans and programmes is widely varied across sectors. For instance, the Annual Health Bulletin, published annually on health information, contains a comprehensive set of indicators for SDG 3, meaning the data on those indicators is tracked annually. On other SDGs, the source of data is not as straightforward.

#### b. Institutional mechanisms

Bhutan's preceding VNRs (2018 and 2021) reported that there was no need to create separate institutions to oversee the implementation of SDGs in the country. The '*indivisibility of GNH and SDGs*' and the institutions that already existed, particularly GNHC and its Secretariat, were found to be sufficient and capable of fulfilling the responsibilities to coordinate, advise, monitor, evaluate, and report progress on the implementation of the SDGs.

However, some of the institutions went through a major reform following the enactment of the Civil Service Reform Act of Bhutan in 2022, which reorganised the agencies of the government and

their functions. The mandates of the former GNHC were transferred to the Office of the Prime Minister and Cabinet (PMO) and the Ministry of Finance (MoF). While the strategic planning and policy formulation mandates were transferred to the PMO, the resource mobilisation and annual planning functions were assigned to the MoF. As Bhutan's strategic plans and policies continue to be strongly anchored on the values of GNH, the operationalisation of GNH and implementation of SDGs form the basis for Bhutan's five-year plans, and they remain central to the functions of the PMO. The fact that the PMO is leading the process of the current VNR underscores the significance of the SDGs.

To support the preparation of the VNR, a multi-sectoral VNR Task Force was formed to provide technical input and guidance, especially concerning processing updated data across all the SDGs, and to coordinate various entities within and outside the government. The task force is comprised of representatives from the Ministry of Foreign Affairs and External Trade (MFAET), National Statistics Bureau (NSB), Ministry of Health (MoH), Ministry of Industry, Commerce and Employment (MoICE), Ministry of Energy and Natural Resources (MoENR), Ministry of Finance (MoF), and Ministry of Education and Skills Development (MoESD).













# PROGRESS ON GOALS AND TARGETS

# 4

## a. Overview of the progress of the 17 SDGs

Bhutan has demonstrated commendable progress in advancing the SDGs since their adoption in 2015. While steady gains have been recorded across most goals, progress on SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure) remains a concern.

Limited progress towards SDG 8 is primarily attributed to persistent challenges in enhancing economic productivity and creating sufficient quality employment opportunities, especially for youth. The aftermath of the COVID-19 pandemic and structural constraints within the economy have further constrained the labour market and entrepreneurial development. Likewise, concerns on indicators such as a drop in employment in the manufacturing sector, indicating labour market challenges, and a low share of small-scale industries with access to financial services, highlighting ongoing barriers to financial inclusion and enterprise development, have limited the progress on SDG 9.

## b. Status of SDG Indicators and Data

As in past VNRs, an assessment of the extent of SDG indicators adoption and availability of data at the national level was conducted. The assessment shows that the level of indicators adoption has improved over the years, both in terms of the number

of indicators and the proportion of indicators. The number of indicators ‘fully adopted’<sup>4</sup> at the national level increased from 93 (38%) in 2021<sup>5</sup>, to 102 (41%) in 2025. The breakdown of various levels of indicators adoption is provided in Table 1.

**Table 1: Adoption level of the indicators**

Criteria	Number of Indicators	% Share
Fully adopted	102	41%
Partially adopted	30	12%
Relevant but Not Adopted	76	31%
Not Relevant	40	16%
<b>Total</b>	<b>248</b>	

Similarly, an improvement in data availability is also noted. Availability of data increased from 100 indicators (40%) in 2021 to 124 indicators (50%) in 2025. The current status of data availability is provided in Table 2.

**Table 2: Data availability**

Criteria	Number of Indicators	% Share
Available	124	50%
Partially available	43	17%
Not Available	81	33%
<b>Total</b>	<b>248</b>	

<sup>4</sup> ‘Fully Adopted’ means relevant global SDG indicators were used in national plans and programmes to track FYP and SDG progress. ‘Partially adopted’ means the essence of the indicators were captured through nationally equivalent indicators; these indicators are used as proxy to the global SDG indicators.

<sup>5</sup> Transformations for Sustainable Development in the 21st Century: Bhutan’s Second Voluntary National Review Report on the Implementation of the 2030 Agenda for Sustainable Development 2021, RGoB.





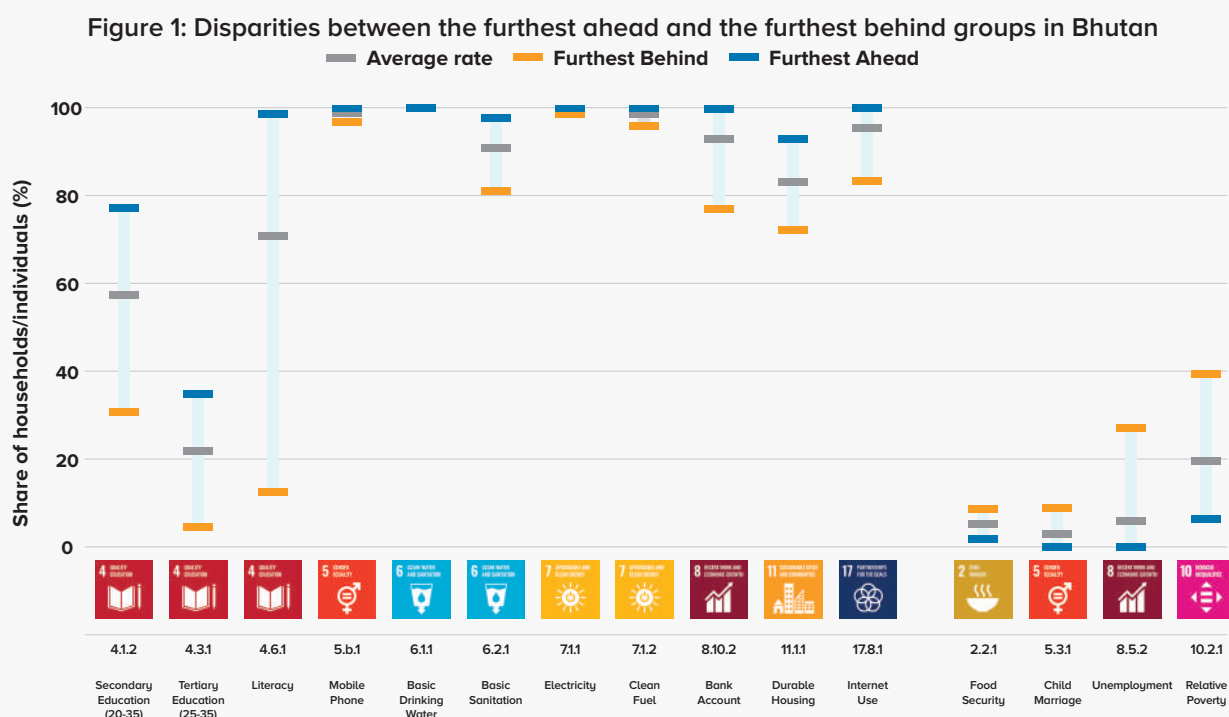
While the improvement in adoption of indicators and data availability is commendable, challenges remain owing to concerns of relevancy at the national level, data availability, and adequacy of data for a comprehensive tracking of progress across all SDG indicators. In addition to data inconsistencies among various sources, the unavailability of time series data of many indicators and frequent changes in the method of data collection<sup>6</sup> pose a significant challenge in conducting comparative analysis, impeding an objective progress review between different periods.

### c. Leaving No One Behind in the SDGs

Leaving no one behind (LNOB) is the central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). Monitoring progress on this pledge constitutes a critical aspect of the Voluntary National Reviews (VNR). This section leverages an innovative methodology, Classification and Regression Tree (CART) analysis within the supervised machine learning algorithms, to

disaggregate 15 SDG indicators to quantify inequality of opportunity and identify the furthest behind groups. The methodology leverages the latest available data from the Bhutan Living Standards Survey (2022) and Labour Force Survey (2022). The results underscore that Bhutan has come a long way in narrowing gaps and ensuring access for a large share of the population across many SDG indicators.

The CART methodology identifies the shared circumstances of mutually exclusive groups with different rates of access to opportunities or prevalence of barriers. One end of the range represents the “furthest behind” households or individuals among whom access to an opportunity is the lowest or the prevalence of a barrier (i.e. negative indicators such as unemployment) is the highest. The other end represents the “furthest ahead” groups among whom access to an opportunity is the highest, or prevalence of a barrier is the lowest. By disaggregating multiple circumstances simultaneously, this methodology captures unique and context-specific intersectionality, which could guide policies to reach the furthest behind first.



Note: ESCAP elaborations based on Bhutan Living Standards Survey (2022) and Labour Force Survey (2022). All results are weighted using final household weights.

<sup>6</sup> For example, revision of National Poverty Line in 2022; Likewise, a significant methodological difference between the VAW study in 2017 and NHS 2023 was reported on measuring the violence against women indicator.



Figure 1 above presents an overview of inequality of opportunity in Bhutan for 15 proxy SDG indicators. Each column in light grey shows the range of access to an opportunity or prevalence of a barrier. Dark grey bars represent the national average, while orange bars represent the furthest behind group rate, and blue bars represent the furthest ahead group rate. Ideally, all three groups would overlap at 100% access to an opportunity or 0% prevalence of a barrier, implying that no one is left behind. This has been achieved for access to basic drinking water and electricity, where no household is left behind as of 2022. Access to clean fuels for cooking and ownership of mobile phones are two indicators that are close to leaving no one behind.

Figure 1 also demonstrates relatively wider gaps in education-related indicators. While over 70 % of the population above 5 years of age are literate in at least one language, there is a wide gap between the furthest ahead individuals who are all literate and the furthest behind individuals, among whom only 12 % are literate. Gaps are also relatively wide in secondary education completion and tertiary education completion, and attendance.

Access to opportunities is relatively high in other opportunity indicators, with relatively narrower gaps between the furthest ahead and the furthest behind groups. While access to improved sanitation facilities is enjoyed by nearly all households, 91% of households do not share such improved facilities with other households. Among the furthest behind households, 81 % have access to improved sanitation facilities that are not shared with others. Access to bank accounts and the internet is almost universal,

but the furthest behind groups, despite being small, are still far away from having universal access. Finally, close to 90% of households in Bhutan live in durable houses proxied by durability of walls, roofs and floors. However, close to half of households do not use clean fuels to heat their dwellings. Furthermore, wide gaps are detected between the furthest behind and furthest ahead households, with only 12 % of the furthest behind households using clean fuels for heating compared with over 90 % of the furthest ahead households.

On the far-right side of Figure 1, gaps in four barrier indicators are presented. The prevalence of food insecurity and child marriage is very low in Bhutan, with minor gaps. While unemployment is low on average at 6%, there is a large gap between the furthest ahead (i.e. no unemployment) and the furthest behind (27% unemployment). Absolute poverty is almost non-existent in Bhutan in terms of international poverty lines. Relative poverty as measured by the share of the population living below 50% of the median income is 20%. It exhibits a sizeable gap between the furthest ahead and furthest behind individuals, with important policy implications in terms of age and location to be elaborated below.

Figure 1 provides an overview of gaps without displaying the circumstances that intersect in identifying the furthest behind groups. Table 1 fills this gap for each indicator presented earlier. It also presents the share of the furthest behind group concerning the reference population. Due to a lack of variables pertaining to disability, minority and migration status, the CART algorithm employed a smaller set of circumstances.



**Table 3: Intersection of circumstances that identify the furthest behind groups**

Indicator	Circumstances					Share of Reference Population
	Per Capita Household Expenditure	Residence	Education	Age	Sex	
Food insecurity	Bottom 40%		None or primary	Household head is aged 53 and above		11%
Secondary education (20-35 yrs)	Bottom 40%			26-35 years of age		16%
Tertiary education (25-35 yrs)	Bottom 40%			26-35 years of age	Female	11%
Literate (5+)				51 and above	Female	11%
Child marriage (20-24 yrs)	Bottom 40%	Rural	None or primary			14%
Mobile phone ownership				Household head is aged 65 and above		12%
Basic drinking water	Bottom 40%			Household head is aged 65 and above		11%
Basic sanitation				Household head is aged 32 or lower		17%
Electricity	Bottom 40%	Rural	None or primary	Household head is aged 57 and above		9%
Clean fuel		Rural		Household head is aged 38-68	Male household head	17%
Unemployment				Lower than 26 years		
Bank account				Household head is aged 68 and above		17%
Relative poverty		Rural		61 and above		9%
Durable housing		Rural		Household head is aged 41 and above	Female household head	12%
Internet usage				Household head is aged 68 and above		9%

Notably, several circumstances intersect in identifying the furthest behind individuals or households across most indicators. Overall, the age of the person or head of household matters across many indicators. Older persons are at a disadvantage in accessing several opportunities, especially digital technologies. Poorer households in rural areas are often worse off than their urban counterparts. The case of access to clean fuels for heating the dwelling is noteworthy, with the furthest behind groups consisting of rural and poorer households headed by older persons. There are several indicators in which gender biases are observed. It is important to note that gender

biases are also observed among relatively well-off groups and are discussed below. Finally, due to relatively high educational attainment in Bhutan, educational background rarely contributes to explaining inequality in other outcomes, except for food insecurity and child marriage.

The results reflected in Table 1 can provide important inputs for nuanced policy design and implementation, especially for indicators that exhibit wider gaps. For instance, only 12 % of women aged 51 and above are literate. They represent 11 % of the total population aged 5 and above. Among individuals aged 38 and



above, men are more than twice as likely as women to be literate. In the spirit of lifelong learning, public policy could address low literacy rates among women aged 38 and above. The algorithm finds that virtually everyone under 28 years of age is literate.

In terms of secondary education, while almost 60 % of the youth (i.e. 20-35 years of age) completed secondary education, this figure drops to less than one third for the furthest behind group (i.e. individuals aged 26-35 living in relatively poor households who represent 16 % of the reference population). Bias against women is observed among better-off individuals rather than in the furthest behind group. For instance, among relatively richer households, gaps between men and women are observed both in rural and urban areas, but the gaps are wider in rural areas. At the same time, over three-quarters of individuals aged 20-26 living in urban and relatively wealthier households completed secondary education.

At the tertiary education level, the furthest behind are 26–35-year-old women living in poorer households. Among wealthier households, bias against women is still observed both in rural and urban areas. Similar to secondary education, gender gaps are wider in

rural areas. Overall, tertiary education is significantly higher among individuals living in urban areas.

Building on educational indicators, it is worth noting that labour men and women below 26 have the highest unemployment rates. Location also matters. Among the adult population, individuals living in urban areas are almost five times as likely as those living in rural areas to be unemployed.

While unemployment is lower among the rural population, the prevalence of areas, relative poverty in rural areas is almost four times more prevalent in urban areas. Individuals aged 61 and above and living in rural areas are furthest behind, with 40 % in relative poverty or living in households with less than 50 % of the median household income in Bhutan. This is especially true for women, as 38 % of women living in rural areas aged 45 and above are in relative poverty compared with 35 % of men in the same age group. In urban areas, relative poverty is much lower, with 8 % of women aged 25 and above in relative poverty compared with 5 % of men in the same age group. While the level of education does not have an explicit bearing in identifying the furthest behind, illiterate persons are much more likely to be in relative poverty than literate persons, especially for those living in rural areas.

d. [Summary of the progress of 11 SDGs \(goals not under in-depth review for VNR 2025\)](#)



**SDG Goal 1:**  
**End poverty in all its forms everywhere**

# **1 NO POVERTY**





VNR 2021	At Risk	VNR 2025	On Track
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Poverty remains largely a rural phenomenon with 87% of the poor found in rural areas, reflecting broader disparities in access to markets, education and health facilities, and financial institutions<sup>7</sup>.

Bhutan's progress on poverty reduction has been remarkable, with the poverty rate declining from 28% in 2017 to 11.6% in 2022<sup>8</sup>. With a negligible extreme poverty situation in the country<sup>9</sup>, and with the national poverty rate reduced by over 50% between 2017 and 2022, Bhutan remains firmly on track to achieving the SDG targets 1.1 and 1.2.

#### Key Initiatives recently launched

- Royal Kidu Programmes<sup>12</sup>
- Tarayana Foundation's Integrated Community Development for Poverty Reduction programme continues to empower communities with the skills to build their own homes, enhance agricultural productivity through improved farming techniques.
- Establishment of a Comprehensive, inclusive and shock responsive Social Protection system by the end of the 13th Five Year Plan<sup>13</sup>
- Nu. 10,000 million (USD 117.6 million<sup>14</sup>) allocated as Small Development Projects/ High Impact Community Development Projects catering to rural development<sup>15</sup>
- Economic Stimulus Programme (ESP): Launched in August 2024, the Nu. 15 billion ESP aims to accelerate economic recovery post-COVID-19.
- US\$13 million five-year project Building Resilient Commercial Smallholder Agriculture in Bhutan (BRECSA)<sup>16</sup> launched in 2023

Strong economic growth, improvements in the labour market and agricultural productivity, COVID-19 pandemic relief programs, and a surge in remittance inflows during this period are attributed as the main factors contributing to progress in poverty reduction<sup>10</sup>.

Overall access to basic services such as electricity, water, and telecommunications has also significantly improved in Bhutan, with most indicators for these essential facilities approaching universal coverage. Nevertheless, the growing gap between urban and rural poverty rates underscores the need for targeted interventions to strengthen rural economies, enhance social protection, and promote sustainable livelihoods. Provision of universal social protection across the life course can increase consumption of the poorest welfare deciles by 23 % and reduce poverty as measured by the national poverty line by up to 46 %.<sup>11</sup>

#### Key Challenges

- 19 % of the population is vulnerable to poverty – due to high reliance on agriculture, climate-related risks threaten progress on poverty reduction
- Economy highly vulnerable to external economic shocks
- Slow Productivity and Job Growth - most of the rural poor continue to rely on agriculture, where productivity remains low. Job growth in higher productivity sectors, such as industry and services, has been slow.
- Slow post-pandemic recovery.

<sup>7</sup> ibid

<sup>8</sup> *Bhutan Poverty and Equity Assessment 2024: Sustaining Progress in Poverty and Inequality Reduction in Bhutan*, World Bank and NSB, RGoB. Although poverty rates were reported to be 8.2% and 12.4% in 2017 and 2022 respectively, by the PAR and BLSS, it was found that the 2022 BLSS was not comparable to the 2017 BLSS. The latest data are the result of the 'Bhutan Poverty and Equity Assessment 2024', after taking measures to establish comparability between consumption aggregates and poverty measurement methodologies between the surveys.

<sup>9</sup> Zero – as measured by the proportion of the population living on less USD 2.15 per day according to World Bank Poverty and Inequality Platform.

<sup>10</sup> *Bhutan Poverty and Equity Assessment 2024: Sustaining Progress in Poverty and Inequality Reduction in Bhutan*, World Bank and NSB, RGoB.

<sup>11</sup> ESCAP SPOT Simulator simulations using data from Bhutan Living Standard Survey, 2022 <https://spot.unescap.org>

<sup>12</sup> Kidu or wellbeing of the people is traditionally a royal prerogative and is enshrined in the Constitution as a fundamental responsibility of His Majesty The King.

<sup>13</sup> The 13th Five Year Plan of Bhutan 2024-2029, Cabinet Secretariat, Royal Government of Bhutan

<sup>14</sup> Exchange rate of USD 1 = Nu. 85 applied.

<sup>15</sup> Small Development Projects mainly in areas such as drinking water supply networks, irrigation canals, farm roads, basic health units, and other rural infrastructure. Office of Cabinet Affairs and Strategic Coordination, Cabinet Secretariat, Royal Government of Bhutan.

<sup>16</sup> Royal Government of Bhutan and the United Nations World Food Programme (WFP), in partnership with the International Fund for Agriculture (IFAD)



**SDG Goal 2:**  
**End hunger, achieve food security and improved  
nutrition, and promote sustainable agriculture**

# **2 ZERO HUNGER**





VNR 2021	On Track	VNR 2025	On Track
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Bhutan remains On Track, although progress is slow in advancing food security, improved nutrition, and sustainable agriculture<sup>17</sup>. The proportion of households with food insufficiency fell to 1.5% in 2022<sup>18</sup> from 2.7% in 2017<sup>19</sup>, indicating improved access to food and nutrition. Wasting has seen a slight increase to 5.1% in 2023<sup>20</sup> from 4.3% in 2015. However, stunting among children under five dropped from 21.2 % in 2015 to 17.9 % in 2023<sup>21</sup>.

While undernutrition is decreasing, emerging concerns related to overnutrition and dietary shifts are visible. Among the population aged 15-69 years, overweight increased from 26.7% in 2014 to 33.3% in 2023, and obesity rates have risen from 6.2% in 2014 to 12.5% in 2023<sup>22</sup>, reflecting changing food consumption patterns.

#### Key Initiatives recently launched

- Ministry of Health developed and adopted the National Nutrition Strategy and Action Plan (2021-2025)
- Launched Agrifood Sector Strategy 2034 which aims to modernize the agrifood industry, ensuring sustainability while uplifting the livelihoods of smallholder farmers.
- Bhutan and FAO announce the Bhutan Agri-Sustain Fund (BAF), aiming to raise USD 80 million from philanthropists and private investors to provide long-term financial support for Bhutan's agri-food sector.
- Launched 'One-Child, One-Egg' initiative to enhance child health and nutrition

Employment in agriculture remains significant, with 41.7%<sup>23</sup> of Bhutan's population (and 52.5% of women) still engaged in agriculture, though this represents a decline from previous years. Despite this, the agriculture sector's contribution to GDP stood at only 14.74% in 2024<sup>24</sup>, highlighting the need for productivity enhancements and modernisation. Nevertheless, the per capita household income of rural communities has witnessed a gradual increase. Overall, Bhutan is progressing well across many indicators under Goal 2, and its strategic push toward sustainable agriculture and improved nutrition under the 13<sup>th</sup> Five-Year Plan reinforces its commitment to this goal.

#### Key Challenges

- Human wildlife conflict- Crop and livestock depredation by wild animals is one of the major reasons for low agricultural production in spite of productivity being on the rise and increase in fallow land.
- Fallow land and land fragmentation: The fallow land has increased from 61,000 acres in 2009 to 66,120 acres in 2019.
- Climate Change and other emerging issues: The sector is highly vulnerable to the impact of climate change and other natural calamities including the emergence of pests and diseases. For instance, the incessant rainfall from October 16-21 in 2021 has affected more than 2,500 acres and caused crop loss of about 2,400 MT in 17 dzongkhags.
- Farm labour and water shortage
- Difficulty in technological uptake due to hard terrain. About 24% of the agricultural area is under farm mechanization while the remaining 76 % remains under traditional practices. Only about 29% of the agricultural area is under assured irrigation and 3,600 MT of synthetic fertilizers and seeds are applied.

<sup>17</sup> The data used in the figure (used in SDG Tracker) are mostly globally sourced due to the unavailability of national data. Therefore, most of the indicators in the figure are shown as regressing.

<sup>18</sup> Bhutan Living Standard Survey 2022

<sup>19</sup> Bhutan Living Standard Survey 2017

<sup>20</sup> Ibid

<sup>21</sup> National Health Survey 2023, Ministry of Health

<sup>22</sup> National Accounts Statistics 2024, NSB, RGoB

<sup>23</sup> Labour Force Survey 2024

<sup>24</sup> National Accounts Statistics 2024, NSB, RGoB



**SDG Goal 4:**  
**Ensure inclusive and equitable quality education**  
**and promote lifelong learning opportunities for all**

# **4** **QUALITY** **EDUCATION**





VNR 2021	At Risk	VNR 2025	On Track
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SDG 4 was rated ‘At Risk’ during the VNR 2021 mainly because of the impact of the COVID-19 pandemic on education, including the prolonged closures of schools and disruptions in the mode of delivery and learning. Improvements have been made since then in access, equity, and quality of education. Though the net enrolment rate for basic education (PP–X) reached 96.7% in 2022, and the literacy rate among youth (15–24 years) remains high at 98% in 2024<sup>25</sup>. Gender parity is nearly achieved across all education levels, though slight disparities persist in tertiary education.

#### Key Initiatives recently launched

- National Education Policy (NEP) 2024 Approved- The NEP 2024 provides a comprehensive framework for transforming Bhutan’s education system, addressing critical challenges, and ensuring that education remains relevant to the needs of the country<sup>27</sup>.
- Schools offering Special Education Needs (SEN) and Inclusivity Programmes: Increased from 19 in 2019 to 39 in 2024<sup>28</sup>, expanding access to inclusive education.
- Bhutan developed and launched its first National Education Assessment Framework to monitor and improve the quality of education in 2021. The second cycle of assessments in 2024 included over 9,500 students, including 40 children with disabilities, ensuring inclusivity.
- Comprehensive Sexuality Education (CSE) was integrated into national school curriculum and taught nationwide from grade PP-XII beginning 2022. CSE aims to equip children with knowledge and skills to make informed decision about their health and well-being, promote human rights and gender equality.

Completion rates for primary and lower secondary education have improved steadily since 2021, with primary and secondary completion reaching 98% and 96.1% respectively in 2024<sup>26</sup>. Quality learning outcomes and foundational literacy and numeracy remain areas requiring, however, attention. The transition rate from basic to higher secondary level is still a concern, particularly among students from poorer households and remote areas.

The COVID-19 pandemic led to temporary disruptions in learning, but Bhutan adapted quickly with distance and digital learning solutions. Expanding early childhood care and education, improving technical and vocational education and training (TVET), and ensuring inclusive education for children with disabilities are priorities going forward.

#### Key Challenges

- Rural-Urban Disparities-resources, teacher shortages (Average attrition rate of 6.9% in public schools in 2024<sup>29</sup>), and lower retention rates.
- While enrolment has increased, ensuring consistent learning outcomes remains a challenge, particularly in STEM and vocational fields.
- Gender Gaps in TVET & Higher Education
- Sustainability of Digital Infrastructure-maintenance, cybersecurity, and digital literacy need strengthening.
- Inclusive education expansion requires more trained specialists and infrastructure.

<sup>25</sup> Annual Education Statistics (AES), Ministry of Education and Skills development.

<sup>26</sup> Ibid

<sup>27</sup> <https://thebhutanese.bt/cabinet-approves-national-education-policy-2024/>

<sup>28</sup> Written contribution from Ministry of Education and Skills development as explained in the methodology section.

<sup>29</sup> Ministry of Education and Skills development, Annual Education Statistics 2024



**SDG Goal 6:**  
**Clean Water and Sanitation**

**6** **CLEAN WATER  
AND SANITATION**





VNR 2021	On Track	VNR 2025	On Track
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Bhutan continues to perform well on Goal 6, with increasing access to improved water and sanitation services. As of 2022, 99.9% of households have access to improved drinking water sources, and 99.1%<sup>30</sup> of households have access to improved sanitation. Bhutan's progress on SDG 6 has received international recognition, with UN-Water selecting the country as one of only three global success stories to be showcased as a good practice example at the HLPF side event in 2025. However, water quality and service reliability, especially during the dry season, remain concerns in some districts.

Rural-urban disparities in sanitation access have narrowed, but some remote households still lack adequate toilet facilities. Efforts have also been made to promote hygiene practices, particularly in schools, with a 95% increase in safe drinking water and sanitation (WASH) facilities as of 2024<sup>31</sup>.

Integrated water resource management is being strengthened, with Bhutan's rich freshwater resources being monitored for sustainable use. However, threats from climate change, such as drying springs, glacial melt, and flash floods, pose risks to long-term water security.

**Key Initiatives recently launched**

- Bhutan achieved 100 % Open Defecation Free with access to improved sanitation in 2022
- Water supply schemes have been implemented in 20 districts, 205 gewogs and 4 thromdes through the water flagship programme. The programme benefited about 39000 households with a population of 185000<sup>32</sup>.
- Achieved 100% proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management<sup>33</sup>.
- In 2023, Bhutan launched the \$8.9 million ACREWAS project to enhance climate resilience in the water sector-to address water shortages and declining water quality

**Key Challenges**

- Drying up of water sources
- Lack of reliable data on water
- Water activities are planned and implemented by the local government bodies (sub blocks called gewogs) without sufficient technical studies carried out which affects sustainability of projects.

<sup>30</sup> Bhutan Living Standard Survey, National Statistics Bureau  
<sup>31</sup> Written input from Ministry of Education and Skills Development  
<sup>32</sup> Written input from Ministry of Infrastructure and Transport  
<sup>33</sup> State of the Nation report, 2024



**SDG Goal 7:**  
**Affordable and Clean Energy for all**

# **7 AFFORDABLE AND CLEAN ENERGY**





VNR 2021	On Track	VNR 2025	On Track
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Bhutan has made notable progress on Goal 7, achieving near-universal access to clean, affordable and renewable energy. As of 2022, 99.7% of households had access to grid electricity<sup>34</sup>, with the remaining households served through distributed renewable energy solutions. The electricity generation is almost entirely from renewable sources, primarily hydropower and with increasing solar development to complement seasonal hydropower variation and uphold Bhutan's carbon neutrality commitment.

Despite generating 2,334 MW<sup>35</sup>, Bhutan remains reliant on imports of hydroelectricity and fossil fuels for transport and industry. The share of clean

energy as % of total energy consumption has reached 82.5% as of 2024<sup>36</sup>. Bhutanese household continues to depend on fuelwood as the primary source of heating and cooking in the rural areas and petroleum products for the transport sector.

Efforts to expand electrification are ongoing, including solar mini-grids in off-grid areas. More detailed updates are provided in the later sections of the thematic analysis of SDGs 8 and 13. Promoting energy efficiency and clean cooking technologies is critical to reduce household air pollution and further Bhutan's sustainable energy transition.

With 99.7% household electrification and increasing renewable energy diversification, Bhutan continues to demonstrate global leadership in clean energy. These advancements not only enhance energy reliability and affordability but also support job creation, uphold Bhutan's carbon commitment neutrality and energy self-sufficiency.

#### Key Initiatives recently launched

- Launched the Renewable Energy Development Roadmap (REDR) 2040, intended to add 15,000 MW hydropower and 5,000 MW solar capacity by 2040<sup>37</sup>.
- Launch of Green Hydrogen Roadmap 2024
- Launch of SGD 7 Roadmap for Bhutan in 2022
- Renewable Energy Development Roadmap 2024
- Energy Efficiency Roadmap 2030
- Preparing to commission Bhutan's largest solar farm in Sephu, Wangduephodrang, with a capacity of 23 MW, marking a significant step toward diversifying the country's energy mix<sup>38</sup>.
- 4 Units of the 1,020 MW Punatsangchhu-II Hydroelectric Project were successfully synchronized with the national grid<sup>39</sup>.
- Bhutan signed a Memorandum of Understanding (MoU) with Tata Power to jointly develop 4,500 MW of hydropower, and with Adani Group to develop 500 MW of solar energy and 5,000 MW of renewable energy projects.
- Bhutan has also signed MoUs with GMR, Reliance India and PTC India for development of hydropower projects.

#### Key Challenges

- Vulnerability of hydropower to changing seasonal extreme weather patterns that can adversely affect water supply.
- Integrating intermittent solar energy into the national grid is a technical challenge, compounded by the absence of large-scale battery storage systems.
- Remote and mountainous regions pose challenges for grid expansion and maintenance, despite near-universal access to electricity.
- Capacity constraints in green hydrogen production.
- Given the huge investment requirement of over US\$ 26 billion to meet REDR 2040 targets, mobilizing financing remains a major challenge.

<sup>34</sup> Bhutan Living Standard Survey, National Statistics Bureau 2022.

<sup>35</sup> Hydrogen Roadmap 2024, DoE, MOENR

<sup>36</sup> Common Country Analysis (CCA), United Nations Bhutan

<sup>37</sup> Department of Energy, MoENR

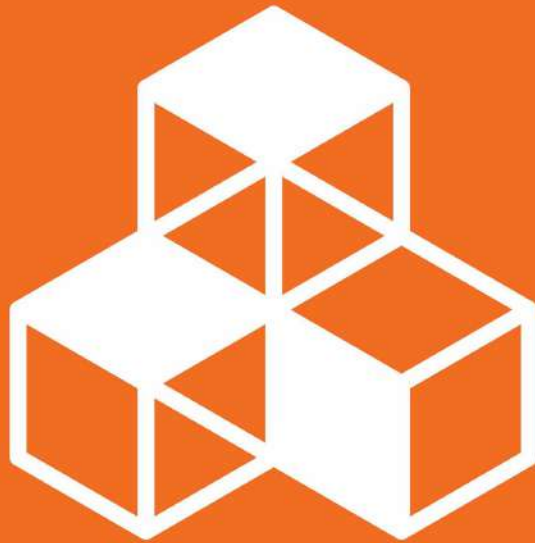
<sup>38</sup> <https://businessbhutan.bt/renewable-energy-sector-grows-in-2024/>

<sup>39</sup> Druk Green Power Corporation, <https://www.drukgreen.bt/phpa-ii-hits-key-milestone-with-grid-synchronisation-on-national-day/>



**SDG Goal 9:**  
**Industry, Innovation and Infrastructure**

**9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE**





VNR 2021	On Track	VNR 2025	At Risk
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Progress toward Goal 9 has seen modest improvements but remains uneven. Transport infrastructure has expanded, with most of the Gewogs now having black-topped roads, reflecting continued investment in the rural road network to improve connectivity.

Manufacturing value added as a proportion of GDP rose slightly from 7.12% in 2020 to 8.05%<sup>40</sup> in 2023, indicating a gradual strengthening of industrial output. Meanwhile, employment in the manufacturing sector dropped from 7.9% to 7.2%<sup>41</sup>, pointing to labour market challenges in the sector. The share of small-scale industries with access to financial services remains low at 5%<sup>42</sup>, highlighting ongoing barriers to financial inclusion and enterprise development.

### Key Initiatives recently launched

- Achieved 98% and 95% of households with access to mobile phones and households owning a smartphone<sup>43</sup>
- Bhutan officially joined the World Association of Investment Promotion Agencies (WAIPA) in 2024, reinforcing its commitment to global investment facilitation and sustainable industrial growth.
- Launched in August 2024, the Nu. 15 billion ESP aims to revitalize key economic sectors post-pandemic, with a focus on infrastructure development, industrial upgrading, and employment generation.
- Establishment of Production and Manufacturing (P&M) industries in four Industrial Parks (IPs)
- Organized National Startup Weekend with the theme “Cultivating Conscious Innovation: Merging Emerging Technologies with Mindful Development Practices” held in 2025. The Winning startup provided a 15-week incubation programme.
- Bhutan Integrated Tax System (BITS) and Electronic Customs Management System (eCMS)-Digitalization of systems to support industrial efficiency and reduce barriers to trade.
- Established National Single Window as part of trade facilitation.

### Key Challenges

- Private sector remains small and heavily dependent on public sector-driven infrastructure and investments
- Minimal industry-academia collaboration, and absence of a prominent innovation-focused institution hinder long-term industrial growth
- Challenges in maintaining rural roads and infrastructure due to rugged terrain, climate impacts, and funding constraints
- Outdated technologies in the industries
- Connectivity

<sup>40</sup> National Accounts Statistics, 2024  
<sup>41</sup> Labour Force Survey, 2024  
<sup>42</sup> Industry Census Report, 2024, MoICE  
<sup>43</sup> Bhutan Living Standard Survey 2022



**SDG Goal 10:  
Reduce Inequality**

**10 REDUCED  
INEQUALITIES**





VNR 2021	On Track	VNR 2025	On Track
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Bhutan remains *On Track* to achieve Goal 10, as inequality shows signs of decrease. The Gini coefficient dropped from 0.38 in 2017 to 0.28 in 2022<sup>44</sup>, reflecting improvement in income disparities since the last VNR assessment. This improvement reflects Bhutan's ongoing commitment to fostering a more equitable society. While the overall inequality, as measured by the Gini coefficient, has improved, rural-urban inequality remains pronounced. The poverty rate in rural areas was 17.5% in 2022 compared to just 3.9%<sup>45</sup> in urban areas.

Structural factors such as geographic remoteness, limited job diversification, and gaps in social protection coverage continue to pose challenges. Nonetheless, Bhutan has taken proactive steps to advance inclusion and equity. Targeted welfare programmes, rural economic initiatives, and efforts to broaden access to services and opportunities are underway. As these interventions gain momentum, their impact is expected to become more visible in reducing disparities and promoting shared prosperity.

### Key Initiatives recently launched

- The 13th Five Year Plan (FYP) includes explicit focus on “Leaving No One Behind”, with targeted actions for vulnerable populations.
- Comprehensive Social Protection Policy under development to improve income security and equity under the 13th FYP.
- National Action Plan to Promote Gender Equality in Public Administration (NAP GEPA)- a strategic initiative by the RGoB, in partnership with UNDP, and UN DESA to enhance women's presence and leadership in public administration.

### Key Challenges

- Lack of disaggregated, up-to-date data on income and inequality indicators.
- Regional disparities in infrastructure, service delivery, and economic opportunity.
- Limited inclusion of persons with disabilities and vulnerable populations in policy design and implementation.
- High youth unemployment, particularly among female youth and underemployment contribute to economic inequality.

<sup>44</sup> Poverty Analysis report 2017 and 2022

<sup>45</sup> Ibid



**SDG Goal 11:  
Sustainable Cities and Communities**

# **11 SUSTAINABLE CITIES AND COMMUNITIES**





VNR 2021	On Track	VNR 2025	On Track
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Bhutan has continued to make progress toward achieving SDG 11. The proportion of urban households living in permanent structures (metal/concrete roofing) increased slightly from 95.0% in 2017 to 96.7% in 2022<sup>46</sup>. This indicates continued investment in urban housing quality and infrastructure development.

Urban planning efforts have focused on expanding public transport services, waste management systems, and affordable housing initiatives, particularly in growing urban centres like Thimphu

and Phuentsholing. In the 13<sup>th</sup> FYP, the government aims to reduce landfill waste and promote a circular economy by focusing on effective source segregation and material recovery.

Challenges remain around urban congestion, accessibility for persons with disabilities, and the resilience of cities and communities to climate change impacts, such as flash floods and urban heat. Strengthening disaster risk planning and sustainable urban growth strategies will be essential moving forward.

#### Key Initiatives recently launched

- His Majesty The King of Bhutan unveiled plans for the new “Gelephu Mindfulness City”- innovative urban development project that integrates economic growth with mindfulness, holistic living, and sustainability.
- Developed National Logistics Preparedness Action Plan for Disaster
- Geodatabase Development for Buildings, Apartments, and Dwellings
- The US\$20 million project titled, “Enhancing Climate Resilience of the Urban Landscapes and Communities in Thimphu-Paro Region of Bhutan”, launched to build resilience of Bhutan’s two main urban centres.

#### Key Challenges

- Accessibility for persons with disabilities,
- Resilience of cities to climate change impacts, such as flash floods and urban heat.
- Lack of capacities and specialization in the area of sustainable communities and resilient cities.

<sup>46</sup> Bhutan Living Standards Survey 2022



**SDG Goal 12:  
Sustainable Consumption and  
Production Patterns**

# **12 RESPONSIBLE CONSUMPTION AND PRODUCTION**





VNR 2021	On Track	VNR 2025	On Track
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Bhutan remains *On Track* to achieve SDG 12. The proportion of waste generated per capita, however, is steadily increasing, especially in urban areas. The availability of comprehensive data on its generation, categorisation, and treatment also remains a challenge. Similarly, the absence of reliable information on food waste hampers Bhutan’s ability to effectively manage consumption and reduce resource inefficiencies.

Bhutan currently lacks a dedicated national policy framework for sustainable consumption and production (SCP). Although green development is integrated into national planning, sustainable

business practices are still nascent, and adoption among enterprises remains limited. Fossil fuel imports continue to rise, particularly for transport and industry, offsetting gains made through Bhutan’s renewable hydropower source of energy.

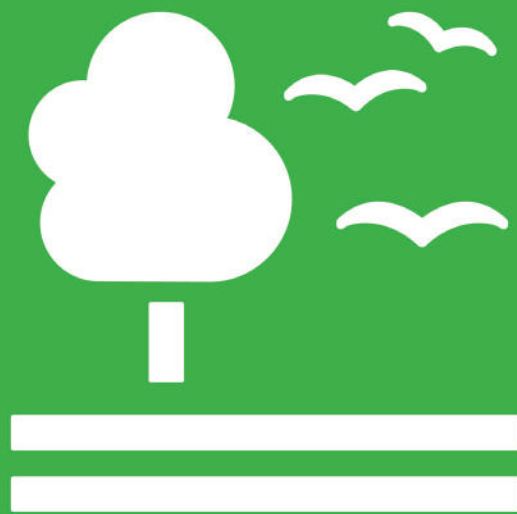
Sustainable public procurement frameworks exist but remain underutilised. While Bhutan’s development plans emphasise green growth, transformative progress will require stronger institutional coordination, expanded investment in waste management and resource efficiency, and greater engagement with the private sector to mainstream sustainability across the economy.

Key Initiatives recently launched	Key Challenges
<ul style="list-style-type: none"> <li>• Launch of Bhutan Green Label Logo and Eco-Label Criteria, marking a significant advancement in promoting sustainable consumption and production practices</li> <li>• Bhutan Waste Bank project launched in April 2024- incentivises waste collection of items like plastics, bottles, rubber, paper, and cardboard, recycling approximately 175 tonnes (20%) of dry waste monthly.</li> <li>• Low Emission Development Strategy for Human Settlements and Industries developed.</li> <li>• Launch of Zero Waste Bhutan App and its awareness to business community and wider public</li> </ul>	<ul style="list-style-type: none"> <li>• Limited data availability on SCP indicators, especially food waste and hazardous chemicals</li> <li>• Inadequate integration of SCP principles in national development planning</li> <li>• Inadequate enforcement of environmental regulations</li> <li>• Low levels of awareness and participation in sustainable practices among businesses and households.</li> <li>• Most home-based products lack compliance to basic labelling requirements and lack durable packaging.</li> </ul>



**SDG Goal 15:**  
**Life on Land**

# 15 LIFE ON LAND





VNR 2021	On Track	VNR 2025	On Track
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Bhutan continues to demonstrate strong progress toward achieving Goal 15, reflecting its commitment to environmental sustainability and biodiversity conservation. Forest cover remains robust but saw a slight decline from the last VNR from 71% in 2022 to 69.7% as of 2024<sup>47</sup> - still well over the Constitutional requirement of a minimum of 60% forest cover. As of 2023, 52%<sup>48</sup> of the country's total area is under protected areas. The proportion of important sites

for terrestrial and freshwater biodiversity that are covered by protected areas is high, and species extinction risk remains minimal due to continued habitat protection and anti-poaching efforts.

The Forest Reference Emission Level (FREL) continues to indicate Bhutan's status as a net carbon sink. Moreover, the country is progressing in restoring degraded land and reforesting areas, contributing to global biodiversity and carbon sequestration goals.

#### Key Initiatives recently launched

- Bhutan hosted the Sustainable Finance for Tiger Landscapes Conference with the aim to mobilize USD 1 billion in new funding for the preservation of tiger landscapes by 2034.
- Launch of State of Forest Report, the State of Forest Carbon Report; and the Forest Cover Mapping Report in 2023.
- National Forest Inventory conducted in 2021-2022. The inventory is a key exercise to monitor the extent of forest, growing stock, carbon stock, etc. for better planning and management of forest through policy and interventions.
- The sequestration capacity of Bhutan's forest has increased to 11 million tonnes of CO<sub>2</sub> from 9.6 million tonnes estimated in 2015, according to the State of Forest Carbon (SoFC).

#### Key Challenges

- Limited financial and human resource capacity for biodiversity monitoring
- Rising temperatures and changing rainfall patterns are affecting forest ecosystems, biodiversity, and the distribution of species.
- Heavy reliance on external funding sources; limited national budget.
- Community-based conservation (e.g., community forests, eco-tourism) still faces financial, and market challenges.

<sup>47</sup> State of Forest Report 2023

<sup>48</sup> Annual Forestry Statistics 2023



**SDG Goal 16:**  
**Peace, Justice and Strong Institutions**

# **16** **PEACE, JUSTICE AND STRONG INSTITUTIONS**





VNR 2021	On Track	VNR 2025	On Track
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Bhutan remains on track in advancing peace, justice, and inclusive institutions. Bhutan enjoys a high degree of peace and stability, underpinned by a strong social fabric rooted in the values of GNH. The 2023 Global Peace Index ranks Bhutan 22<sup>nd</sup> out of 163 countries, making it one of the most peaceful nations in the region and the world.

Bhutan continues to maintain a low crime rate and is consistently ranked among the least corrupt countries in South Asia. Efforts to control corruption remain central to Bhutan’s governance agenda. Bhutan scored 72 out of 100 on Transparency International’s Corruption Perceptions Index (CPI) 2024, ranking 18<sup>th</sup> globally and highest in South Asia<sup>49</sup>. Bhutan’s

e-justice and digital case management systems have improved access to justice and the efficiency of court proceedings. The proportion of ever-partnered women aged 15-64 years who experienced physical violence in the last 12 months remains low at 4.4% as of 2023<sup>50</sup>.

Bhutan has launched multiple public service reforms, including the digitisation of services and enhanced decentralization of powers to local governments. Democratic participation remains robust, with a 65.6% voter turnout recorded in the 2023 National Assembly election<sup>51</sup>. However, increasing youth engagement and female participation in democratic processes continues to be a priority.

#### Key Initiatives recently launched

- Launched e-Litigation (Electronic Litigation)-online case filing systems and virtual court hearings piloted during the COVID-19 pandemic and scaled thereafter.
- Launch of National Integrity Assessment 2022 by the Anti-Corruption Commission (ACC), covering public service delivery, public perception, and corruption risks across institutions.
- Expansion of GovTech platforms including the “G2C” (Government-to-Citizen) services portal, increasing access to over 160 digital services.
- Bhutan submitted its 10th Periodic Report under the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) in 2023, 6th to 7th Combined Periodic Report on the Convention on the Rights of the Child (CRC), and the Fourth Universal Periodic Review (UPR) in 2024, reinforcing its commitments to the rule of law and human rights for all, including women and children.

#### Key Challenges

- Geographic challenges limit access to formal justice systems for rural populations.
- Low legal literacy, and lack of awareness continue to affect equitable access.
- Civic education and political engagement among young people require strengthening.

<sup>49</sup> <https://www.transparency.org/en/cpi/2024><sup>48</sup> Annual Forestry Statistics 2023

<sup>50</sup> National health Survey 2023

<sup>51</sup> Election Commission of Bhutan







# THEMATIC ANALYSIS AND PROGRESS OF PRIORITIZED GOALS FOR VNR 2025

# 5



## SDG 3: Ensure healthy lives and promote well-being for all at all ages

In its 2021 Voluntary National Review, Bhutan underscored several critical challenges and priorities in advancing SDG 3. The report highlighted the urgent need to strengthen the national health system to better respond to future pandemics and emphasised improvements needed in maternal and child health services, particularly in reducing neonatal mortality, which accounted for 56% of under-five deaths. Tackling both communicable and non-communicable diseases was a key focus, alongside scaling up mental health support and suicide prevention efforts. Alcohol and drug abuse were also identified as persistent public health concerns. Furthermore, the review noted the growing strain on the sustainability of its free healthcare system due to rising costs and diminishing external funding support.

## Progress Update

Since the VNR 2021, Bhutan has made significant progress in improving health outcomes, particularly in maternal and child health. By 2023, the maternal mortality ratio had declined to 53 per 100,000 live births, while the under-five mortality rate reached 19.5 per 1,000 live births, and the neonatal mortality rate stood at 6.9 per 1,000 live births<sup>52</sup> (Figure 2). These achievements represent significant progress, with all three indicators surpassing the respective SDG targets. Additionally, Bhutan recorded zero malaria cases in 2024 and is on the verge of malaria elimination. The Vector Borne and Climate Sensitive Programme is currently undergoing the external review process of malaria-free certification by WHO, marking a historic milestone in the country's fight against vector-borne diseases.

Cervical Cancer Elimination by 2030 is a national priority with commitment from the highest level of government. Bhutan has achieved the WHO interim

<sup>52</sup> National Health Survey Report 2023, MoH, RGoB. The VNR 2021 reported MMR of 89 per 100,000 live births, infant mortality rate of 15.1, and under-five mortality rate of 34.1 per 1000 live births in 2017.

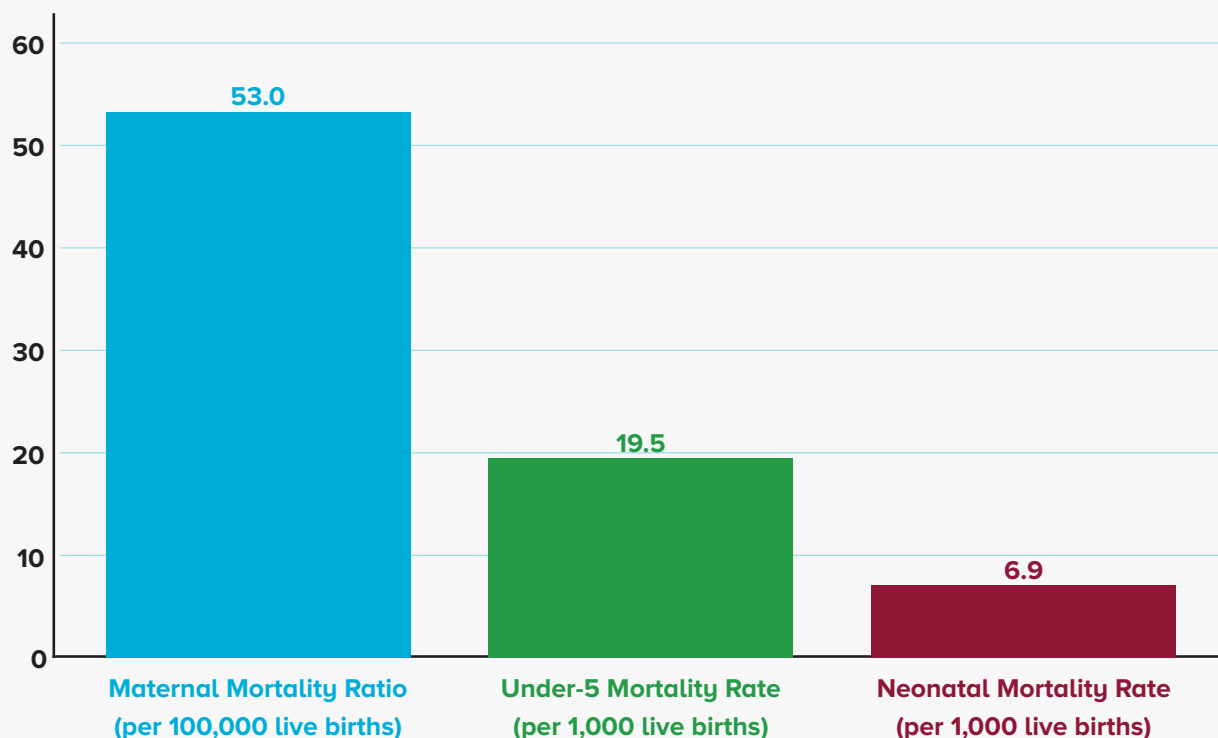




90-70-90 targets of cervical cancer and has been recognised by the WHO, SEARO, for its commitment and strong leadership. The HPV vaccination coverage

is above 95% for both girls and boys; Cervical Cancer Screening Coverage is at 90.81%, and treatment coverage is at 91.98%<sup>53</sup>.

Figure 2: Status of Bhutan's Maternal and Child Health



Despite these gains, several health concerns remain. Communicable and non-communicable diseases continue to pose a significant burden on the health system, requiring sustained prevention and management efforts. In addition, environmental health with high blood lead levels among children and women is found as an emerging public health issue, along with other NCDs. Persistent challenges identified in the VNR 2021 - such as mental health, substance use disorder, and the sustainability of free healthcare - remain relevant, underscoring the need for continued investment and innovation in the health sector.

### Initiatives undertaken to address recommendations of the VNR 2021

#### Pandemic Preparedness Initiatives in Bhutan

In response to the recommendations from the VNR 2021, Bhutan has taken significant steps to enhance its pandemic preparedness, reflecting Bhutan's

proactive approach to improving its pandemic preparedness through a combination of strategic planning, capacity building, system strengthening, and international collaboration.

☞ To strengthen its emergency response frameworks, Bhutan reviewed and updated the Health Emergency & Disaster Contingency Plan (HEDCP) and the National Influenza Pandemic Preparedness and Response Plan (NIPPRP).

☞ The country secured USD 4.9 million through the Pandemic Fund project under the World Bank. This funding supports enhanced 'One Health' collaboration between the Ministry of Health (MoH), the Ministry of Agriculture and Livestock (MoAL), the National Environment Commission (NEC), and wildlife sectors.

<sup>53</sup> Cancer Flagship Report 2023, MoH



- Bhutan has upgraded its surveillance system and installed screening equipment at international airports to monitor travellers for diseases of public health concern, ensuring swift detection of potential health threats.
- Various simulation exercises and drills have been conducted across hospitals, focusing on multi-hazard preparedness. Additionally, over 40 health workers and hospital administrators received training on hospital preparedness for emergencies (HOPE) and on pandemic response on IPC and COVID-19 vaccination.
- Under the ongoing Pandemic Fund and Fleming Fund projects, Bhutan is strengthening its laboratory and diagnostic capabilities, ensuring better detection and response to future pandemics.

### Mother and Child Health (MCH)

Bhutan has made remarkable progress in improving maternal and child health (MCH) over the past decades, with significant progress in reducing maternal and child mortality and enhancing access to essential health services. The proportion of births attended by skilled health personnel also reached 98.5% in 2023<sup>54</sup>. Immunisation coverage increased to 99%<sup>55</sup> through capacity development of health workers in all health facilities, ensuring year-round availability of vaccines and strengthening of the cold chain supply system for quality vaccine management to three-fold.

The country's commitment to achieving universal health coverage has played a key role in ensuring that maternal and child health services are accessible to women and children across the nation, particularly in rural areas. Bhutan's strong health system, based on the Primary Health Care approach, along with policies that prioritise maternal and child health and well-being, has resulted in notable achievements, such as high antenatal care coverage and a decline in maternal and infant mortality rates.

However, while Bhutan has achieved considerable success, and sustaining these gains remain a priority. Addressing the social determinants of health, including gender inequality, economic vulnerability, and cultural barriers, is key to further improving MCH outcomes. Despite the progress in maternal health indicators, the quality of care can still be improved, considering that the prevalence of maternal near miss ratio was 6.7 per 1000 live births and potential life-threatening conditions of 12.8 per 1000 live births in 2020. Poor quality of maternal care services has implications for newborn survival, health, and growth in childhood. Ensuring the quality survival of newborns continues to be a challenge. Issues such as prematurity, low birth weight, and stillbirths significantly impact rates. Although infrastructure and access to skilled care are found to have improved<sup>56</sup>.

The government has undertaken several initiatives. A key programme in this effort is the Accelerating Maternal and Child Health Programme (AMCHP), part of the “1,000 Golden Days” initiative. The programme is designed to increase the utilisation of MCH services among pregnant and lactating women, particularly those who are socially and economically vulnerable. Through Conditional Cash Transfers (CCT), the programme incentivises women to access crucial maternal and child health services. Beyond financial assistance, AMCHP also implements a Social Behavioural Communication Change (SBCC) campaign to raise awareness about the importance of these services. To reduce the risks of pregnancy and improve birth outcomes, multiple micronutrient supplements (MMS) have been introduced countrywide as one of the 10 key strategic interventions of AMCHP.

Sustaining Bhutan's success in maternal and child health also requires supporting the inclusion of men. A key aspect of the AMCH programme is also its focus on advocacy targeting men, family members, and the broader community to actively engage in maternal and child health. This advocacy is particularly

<sup>54</sup> National Health Survey 2023.

<sup>55</sup> Ibid

<sup>56</sup> Stakeholders contribution.





important from a gender equality perspective, as it promotes shared responsibility between men and women during pregnancy, childbirth, and child-rearing. Research consistently shows that men's involvement in maternal health can lead to better health outcomes for both mothers and children<sup>57</sup>. When men actively participate in decisions related to maternal care, provide emotional and financial support, and share household duties, it not only improves the well-being of the mother but also contributes to a positive pregnancy experience and better outcomes for the child. This shift toward shared caregiving not only empowers women but also promotes gender equality within households and communities. The empowerment of men in maternal health and neonatal health aligns with broader gender equality goals, breaking down barriers to women's autonomy and health access, and fostering a culture of support and cooperation that benefits the entire family.

In addition to the CCT and advocacy, the AMCHP also offers financial literacy training for eligible pregnant and lactating women, helping them manage finances and operate savings accounts, further enhancing their socio-economic stability. This holistic approach is directly aligned with Bhutan's 13<sup>th</sup> FYP, which seeks to build human capital through sustainable and inclusive health and nutrition programmes.

Further strengthening Bhutan's MCH efforts is the development of the first-ever Integrated Reproductive Maternal Newborn Child and Adolescent Health (RMNCAH)+Healthy Ageing Strategy (2025-2029). This strategy adopts a life-course approach to health, ensuring a continuum of care that spans from maternal health through to healthy ageing. By integrating various health needs into one cohesive framework, Bhutan aims to provide a more harmonised and targeted approach to improving health outcomes for all citizens, ensuring that gender equality is central to all stages of life.

These combined initiatives will not only enhance

maternal and child health in Bhutan but also promote a broader shift toward gender equality and inclusive health care, ensuring that both men and women share responsibility in fostering the health and well-being of families and communities. Additionally, Bhutan Every Newborn Action Plan (BENAP) 2025-2029 is updated to align it with the 13<sup>th</sup> FYP and address post-SDG targets for quality newborn health care and health outcomes.

### Non-communicable Diseases (NCDs)

Non-Communicable Diseases (NCDs) continue to pose a significant public health challenge in Bhutan, accounting for more than 73% of all deaths nationwide<sup>58</sup>. Conditions such as cardiovascular diseases, diabetes, cancers, and chronic respiratory diseases account for a significant burden of morbidity and mortality across the country. As highlighted in the VNR 2021, reducing premature mortality from NCDs continues to be a major challenge, despite Bhutan's ongoing efforts in prevention and control.

The growing prevalence of NCDs is driven by a combination of behavioural, environmental, and social factors - including unhealthy diets, physical inactivity, tobacco use, and harmful use of alcohol - often compounded by urbanisation and lifestyle changes. These diseases not only strain the health system but also have profound social and economic impacts on individuals, families, and communities.

The burden of NCDs in Bhutan remains substantial, with recent trends reflecting both progress and emerging concerns. Cancer-related mortality has increased significantly, rising from 149 deaths in 2019 to 227 in 2023, indicating the growing impact of cancers on population health. Mortality due to diabetes also rose slightly from 11 to 14 deaths. During the same period<sup>59</sup>. While this increase is not drastic, elevated blood sugar levels and raised blood pressure remain a concern (Figure 3).

On a more positive note, mortality due to respiratory diseases has declined from 204 in 2019 to 174 in 2023.

<sup>57</sup> Family Health 2020, WHO.

<sup>58</sup> Volume 1, 13<sup>th</sup> FYP (2024-2029), RGoB

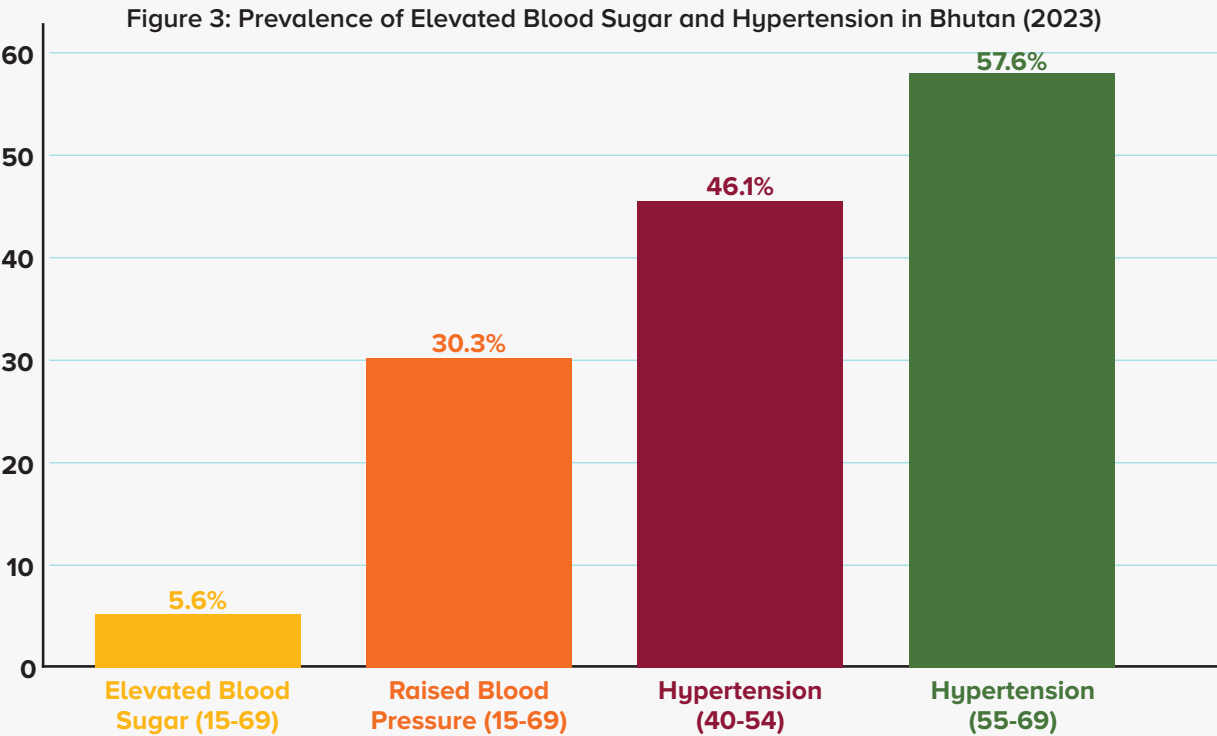
<sup>59</sup> The figures are only "deaths occurring in health facilities" and many deaths due to these causes might not be reported. Therefore, the figures may be underreported.



These trends underscore the need for continued investment in NCD prevention, early detection, and management, especially in addressing risk factors such as unhealthy lifestyles and improving access to quality healthcare services.

Since the VNR 2021, efforts were made to strengthen its national response to the rising burden of NCDs. A major milestone has been the nationwide NCD screening initiative targeting adults aged 18 and above, achieving a commendable 74% coverage. This early detection and treatment initiative is critical for timely intervention and reducing complications.

Recognising the multifaceted nature of NCDs, Bhutan has also developed a Multi-Sectoral Action Plan (MSAP) for the prevention and control of NCDs, which adopts a whole-of-government and whole-of-society approach. This framework is in its final stages and aims to foster collaboration across sectors to address NCD determinants holistically. Furthermore, the country has invested in empowering healthcare workers by enhancing their capacity to provide people-centred, integrated NCD care through continuous training and digital learning platforms that support effective clinical decision-making.



Public advocacy and awareness campaigns have also been scaled up, leveraging digital media and community engagement to influence behavioural change. These campaigns promote healthy lifestyles and aim to reduce risk factors such as physical inactivity, unhealthy diets, tobacco use, and harmful alcohol consumption. Collectively, these actions reflect Bhutan’s strong commitment to reducing the NCD incidence and burden while advancing the targets set under SDG 3.4.

While there is a well-established NCDs program focusing on providing regular screening and management to adults, there is still a lack of emphasis on screening, detection and management of childhood NCDs such as type 1 diabetes, childhood cancers, asthma, congenital heart diseases, epilepsy, and so forth. Early detection and management of childhood NCDs are crucial for the prevention of complications, disabilities and healthier adult lives.





## Alcohol and Road Accidents

As noted in the VNR 2021, the issue of excessive alcohol consumption continues to be a significant concern. The *National Health Survey (NHS) 2023* further emphasises that alcohol-related liver diseases are among the leading causes of death, exacerbated by rising cases of alcohol-related road traffic accidents and associated social issues.

Even though there is a downward trend in alcohol consumption, with the prevalence of current drinkers declining from 50% in 2014 to 42% in 2023 among those aged 18 - 69 years, the use of alcohol remains high. Overall, 34.5% of the population aged 15 - 69 years are current alcohol users<sup>60</sup>, which is associated with high health and safety risks. The *Annual Health Bulletin 2024* reports a road crash fatality rate of 6.3 per 10,000 vehicles, with alcohol being a contributing factor in many of these cases.

This pattern of high alcohol consumption and related harms is closely tied to the broader issue of NCDs. Similar to sugar-sweetened beverages, alcohol is a known contributor to several NCDs, including liver disease and hypertension. Addressing alcohol use is thus essential for reducing the overall NCD burden and improving public health outcomes in Bhutan.

## Mental Health and Substance Use Disorder (SUD)

Mental health remains a public health priority in Bhutan, with recent data from the *National Health Survey (NHS) 2023* highlighting a noticeable increase in mental health issues across the population. Of particular concern is the rising intersection between mental health conditions and alcohol and substance use.

Currently, 2.8% of the population has been diagnosed with some form of mental health condition. Suicide remains a significant issue, accounting for 2.1% of all deaths nationwide – an increase by 0.8% of age points from 2012. Additionally, 1.6% of Bhutanese

have reported attempting suicide at some point in their lives, reflecting underlying mental health vulnerabilities.

Substance use further compounds these challenges. Tobacco use is widespread, with 45.6% of the population having used it at some point in their lifetime, and among them, over half of them (54.6%) still use tobacco<sup>61</sup>.

The rise in mental health disorders, especially those linked to alcohol and substance use, signals an urgent need for integrated mental health services, awareness campaigns, and targeted interventions to promote mental well-being and reduce stigma in Bhutan.

In response to the growing mental health challenges and the rise in SUDs, Bhutan has taken efforts to enhance its mental health system through a coordinated and holistic approach<sup>62</sup>.

A major development has been the establishment of The PEMA Secretariat, the national nodal agency for mental health, under the patronage of Her Majesty The Gyaltsuen (Queen). The PEMA aims to promote and coordinate mental health efforts across sectors. Within its Secretariat, dedicated Response Services have been developed to improve the prevention of suicide, strengthen protection services, and provide emergency mental health care, backed by improved standards and trained human resources.

To ensure timely support and accessibility, Bhutan has also launched 24/7 Mental Health Helpline Services through The PEMA. These helplines streamline the management of various issues, including suicide, self-harm, substance use, and violence.

Focused attention has been placed on youth, with Child and Adolescent Mental Health Services now strengthened at JDWNRH. A multidisciplinary team—

<sup>60</sup> National Health Survey 2023.

<sup>61</sup> Ibid.

<sup>62</sup> Source: Stakeholder consultations







including psychiatrists, counsellors, nurses, therapists, and outreach workers have been trained to provide comprehensive care for young people.

Recognising the importance of early detection, a Health and Wellbeing Screening System has been introduced in schools. This initiative, led by trained school counsellors and health professionals, supports early identification and management of common mental health conditions, including suicidal tendencies.

Furthermore, Health and Wellbeing Programmes in schools were developed in collaboration with the Ministry of Education to promote mental health awareness, anti-bullying initiatives, mentoring, and resilience-building among students.

To improve access to SUD treatment, Hospital-Based SUD Treatment Services have been rolled out in 7 hospitals across the country. Complementing this, Prison-Based SUD Treatment Services have been instituted at Chamgang and Lungzor correctional facilities, ensuring recovery support for inmates.

Lastly, Bhutan has invested in Community-Based Mental Health Care by training 51 Health Assistants and professionals at NIMHANS, strengthening

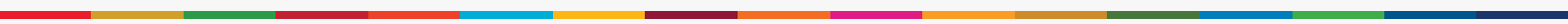
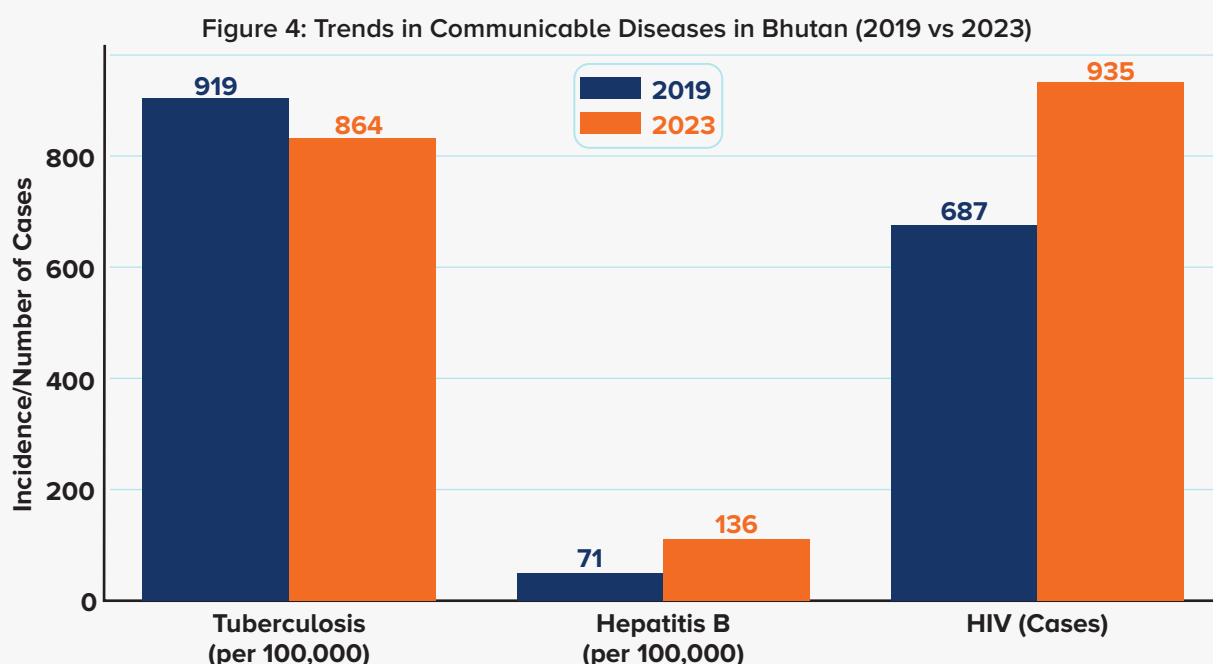
grassroots capacity to address mental health needs.

These interventions reflect Bhutan's commitment to an inclusive mental health system, aligning with its broader goals of well-being and GNH.

### Communicable Diseases

Bhutan has made mixed progress toward achieving SDG target 3.3, which aims to end the epidemics of AIDS, tuberculosis (TB), malaria, and other communicable diseases by 2030.

Progress has been made in the fight against tuberculosis (TB). While there has been steady improvement towards eliminating TB, it continues to be a severe health concern. Hepatitis B incidence has nearly doubled, signalling the need for enhanced immunisation, screening, and public awareness strategies (Figure 4). With the implementation of enhanced surveillance and expanded screening programs, the number of HIV cases detected nationally increased from 687 in 2019 to 935 in 2023. This rise in reported cases reflects improved case-finding efforts and screening services. Overall, while Bhutan has achieved commendable success in malaria and TB control, addressing the challenges in reducing HIV and Hepatitis B remains.







Bhutan continues to implement comprehensive measures to control infectious diseases and safeguard public health. The country has consistently maintained annual immunisation coverage above 95%, contributing significantly to the prevention of vaccine-preventable diseases.

A strong surveillance, monitoring, and contact tracing system is in place for diseases such as tuberculosis (TB), HIV, malaria, leprosy, zoonoses, vaccine-preventable diseases, and neglected tropical diseases. High-risk and vulnerable groups—including prisoners, factory workers, and individuals with substance use disorders—are regularly screened for TB, HIV, and sexually transmitted infections (STIs). To ensure effective treatment, Bhutan has updated clinical guidelines for HIV, STIs, TB, leprosy, malaria, dengue, and zoonotic diseases in line with the latest international standards. Health workers have been trained on these revised protocols.

Health Information and Services Centres (HISCs), in collaboration with civil society organisations (CSOs) such as Pride Bhutan, Lhaksam, and Chithuen Phendey Association (CPA), provide tailored services to key populations—men who have sex with men (MSM), transgender individuals (TG), female sex workers (FSW), and high-risk working sites (HRWS)—to prevent and control HIV and STIs.

To enhance TB diagnosis and care, 20 GeneXpert machines have been installed in health facilities nationwide. Additionally, health workers have received specialised training in managing severe dengue cases, strengthening the country's capacity to respond to outbreaks.

### **Challenges and Areas of Support Required to Accelerate Progress Toward the 2030 Agenda Health Targets**

**Sustain investment in immunisation, MCH Programme, and outreach services:** To sustain and improve immunisation coverage, crucial for both communicable and non-communicable disease prevention, sustained investment is essential,

particularly in operational aspects such as the mobility of health workers. The recent fiscal consolidation measures, particularly the issuance of Travels Rule 2024, are reported to have impacted outreach immunisation activities at the Gewog level<sup>63</sup>. Restoring or exploring alternative support mechanisms for health workers' mobility will be critical to safeguard long-term health indicators and equitable service delivery. Bhutan is known for its success in primary healthcare over the years and its successful results on mother and child health outcomes. In the absence of continued efforts/investment in primary health care, there is a risk that the trend could be reversed in the future. Against this backdrop and given the gradual phase-out of external grants, a gradual increase of domestic resources for healthcare is seen as vital.

**Revisit and strengthen legislative framework on tobacco and alcohol control:** Legislative changes, such as the amendment of the Tobacco Control Act in 2021, have shifted the national landscape in tobacco regulation. While the intent was to mitigate smuggling and cross-border transmission risks during the pandemic, a balanced review of its long-term health implications is now warranted. Likewise, existing alcohol control policies and enforcement mechanisms should be re-evaluated to strengthen their effectiveness. Any revisions must be guided by public health objectives, aiming to strike a careful balance between regulation and the health rights of citizens.

**Promote Sustainable Health Financing through efficiency and Strategic Resource mobilisation:** As the cost of delivering health services continues to rise, it is important to explore ways to enhance efficiency and ensure the sustainability of financing mechanisms. Encouraging innovative and context-specific strategies for resource mobilisation at the sectoral level, within a well-coordinated national framework, may complement central efforts and create space for tailored solutions. Allowing greater flexibility for line agencies, with appropriate safeguards, can foster ownership, improve responsiveness, and support the long-term resilience of the health system.

<sup>63</sup> Stakeholders consultation.





## Fiscal policies to Discourage Unhealthy Consumption:

Bhutan's high dependency on imported consumables and the rising trend of ultra-processed and preservative-laden food intake are reported to have contributed significantly to the burden of NCDs. It is recommended to introduce or strengthen fiscal tools, such as higher taxation on unhealthy imported goods, while incentivising local, nutritious alternatives. These measures can support healthier dietary behaviour while contributing to domestic revenue generation<sup>64</sup>.

Evidence from other countries has shown that fiscal tools such as taxes on sugar-sweetened beverages (SSBs), tobacco, and alcohol can effectively reduce consumption and generate revenue for health promotion. For instance, Mexico implemented a nationwide tax on sugary drinks in 2014, resulting in a 7.6% decrease in consumption in the first two years, especially among lower-income groups<sup>65</sup>. Similarly, (WHO 2023) has found that imposing excise taxes on sugar-sweetened beverages (SSBs) is an effective way to reduce consumption. and generate revenue. These drinks are a major source of free sugars and are linked to the development of several NCDs. By July 2022, at least 108 countries had implemented excise taxes on at least one type of SSB, with 105 of those taxing sugar-sweetened carbonated beverages, the most commonly sold type of SSBs<sup>66</sup>. Bhutan could explore similar fiscal measures to discourage the import and consumption of products high in sugar, salt, and unhealthy fats, while incentivising healthier alternatives. Such policy shifts would align well with the broader national strategy on NCD prevention and contribute to long-term health and economic resilience.

**Addressing NCDs in Bhutan requires sustained multisectoral action,** public awareness, early detection, and equitable access to quality care. While progress has been made through national

strategies and health promotion initiatives, continued and strengthened efforts are essential to reduce the NCD burden and achieve the targets under SDG 3.4, which calls for reducing premature mortality from NCDs by one-third by 2030. A coordinated, multi-stakeholder approach can help create an enabling environment that supports sustainable NCD prevention and control. This includes driving greater policy integration—embedding NCD considerations into sectors such as education, agriculture, finance, and urban planning—to address the broader social and commercial determinants of health.

Furthermore, promoting workplace wellness initiatives can encourage healthier lifestyles among the working population and reduce productivity losses due to NCDs. Cross-sectoral investments in infrastructure, behaviour change programmes, and health promotion are also vital to strengthening long-term health resilience and ensuring that NCD prevention is embedded in the fabric of national development.

To ensure equitable access to quality health services, Bhutan requires sustained support in implementing a life-course approach to health care. This approach aims to provide integrated, people-centred, and quality services—particularly in the areas of reproductive, maternal, newborn, child, adolescent, and adult health (RMNCAH+A)—throughout an individual's life span. It is central to building resilient health systems that are capable of achieving Universal Health Coverage (UHC). Strengthening the health system's capacity to deliver these services is essential for safeguarding the well-being of all populations. Furthermore, there is a critical need to enhance the Health Management Information System (HMIS), particularly in terms of generating and ensuring the timely availability of quality, disaggregated data by sex, age, disability, and sexual orientation.

<sup>64</sup> The introduction of a Sin Tax was one of the recommendations of the Health Financing strategy that MOH developed in 2023 as part of Bhutan's INFF programme

<sup>65</sup> Link: <https://www.bmj.com/content/352/bmj.h6704>

<sup>66</sup> Link: <https://iris.who.int/bitstream/handle/10665/374530/9789240084995-eng.pdf>





## SDG 5: Achieve gender equality and empower all women and girls

Bhutan remains committed to advancing gender equality and the empowerment of all women and girls, in line with the aspirations of SDG 5. Despite notable progress made in establishing legal and policy frameworks that promote gender equality and prohibit discrimination based on sex, gaps remain in achieving full gender parity and violence against women by an intimate partner.

In the Global Gender Gap Report 2022, Bhutan ranked 126<sup>th</sup> out of 146 countries<sup>67</sup>, reflecting the need for sustained efforts to close gender gaps in economic participation, political empowerment, education, and health. The overall prevalence of physical, sexual, emotional, controlling behaviours, or economic violence against women has decreased by 6.4 percentage points from 2017 to 2023<sup>68</sup>, and women constituted only 4% of the total members of parliament in 2024<sup>69</sup>.

Early marriages continue to be a concern. The indicator tracking the proportion of women aged 20-24 years who were married or in a union before age 18 currently stands at 9.0%<sup>70</sup>, placing this SDG target at risk.

Bhutan's VNR 2021 highlighted persistent gender-related challenges, including low representation of women in decision-making, higher female unemployment, particularly among youth, and a gender gap in tertiary and vocational education. Since then, Bhutan has undertaken several progressive legal, policy, and programmatic measures to promote gender equality and inclusion of marginalised groups.

Bhutan passed the Penal Code (Amendment) Act 2021, decriminalising same-sex relations. This legislative change signals a broader commitment to safeguarding the rights of LGBTQ+ individuals, promoting equality within the legal framework, and fostering a more inclusive society.

Further, Bhutan ratified the United Nations Convention on the Rights of Persons with Disabilities (CRPD) in 2024, reinforcing its commitment to promoting and protecting the rights of persons with disabilities, including women and girls who face multiple and intersecting forms of discrimination.

Bhutan ratified the United Nations Convention against Transnational Organised Crime and its Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children in 2023. This reaffirmed the country's commitment to strengthening its legal and institutional frameworks to address cross-border crimes such as human trafficking, especially those affecting women and girls, and to ensure a safer and more secure environment for all. Complementing these efforts, the National Policy for Senior Citizens was approved in 2023 to ensure that older people, particularly older women who are often at higher risk of poverty, poor health, and exclusion, receive adequate care, respect, and opportunities to live with dignity<sup>71</sup>.

Bhutan has also made efforts to mainstream gender across environmental and climate action. The Climate Change Policy of 2020 adopts a gender-responsive approach by integrating gender considerations across climate adaptation and mitigation actions, as well as disaster risk reduction and response strategies. At the community level, the Respect, Educate, Nurture, and Empower Women (RENEW) initiative, supported by the Royal Government of Bhutan and international development partners, has expanded its impact through the establishment of ten

<sup>67</sup> Thirteenth Five Year Plan 2024-2029, RGoB

<sup>68</sup> National Health Survey 2023 reported that the overall prevalence of physical, sexual, emotional, controlling behaviours, or economic violence against women decreased by 6.4 percentage points from 2017 to 2023. However, the figures are not comparable due to the difference in methodologies used in the Violence Against Women (VAW) study conducted in 2017 and NHS 2023.

<sup>69</sup> administrative data were used, and only the members of the lower house were counted as per the definition of indicator 5.5.1.

<sup>70</sup> Ibid.

<sup>71</sup> National Review Report to the Thirtieth Anniversary of the Fourth World Conference on Women and Adoption of the Beijing Declaration and Platform for Action (1995), NCWC, RGoB June 2024.



Community Service Centres across ten Dzongkhags. These centres provide vital services, including case management, psychosocial support, safe spaces, and livelihood skills training. As of the latest data, 33,938 individuals - 22,445 females, 17,392 males, and 41 others—have accessed these services, significantly contributing to community-level well-being and economic empowerment.

Several initiatives have also been undertaken to advance women's leadership and political representation. A key focus has been the identification and capacity building of aspiring women leaders, particularly at the local government level, to prepare them for upcoming local and national elections. These efforts are complemented by targeted community awareness campaigns aimed at enhancing public understanding of the importance of women's participation in political decision-making processes. In a demonstration of its continued commitment and collaborative approach to advancing gender equality, Bhutan hosted the Asian Women Parliamentarians' Caucus (AWPC), which brought together parliamentarians from 12 Asian countries. The forum served as a platform for sharing best practices, experiences, and challenges, thereby fostering regional collaboration and strengthening collective efforts to advance women's leadership across the region.

## Gender-Based Violence

Bhutan has made commendable progress in addressing gender-based violence (GBV) through a multisectoral and comprehensive approach spanning health, education, legal, social, and law enforcement systems. In the health sector, measures have been taken to ensure that at least one female nurse is present in all healthcare centres to provide support to female patients. Healthcare workers have also received training to respond effectively to GBV cases. The National Commission for Women and Children (NCWC), in collaboration with various stakeholders, developed a National Strategy and Framework of Action on the Elimination of Gender-Based Violence (2024-2028), providing a comprehensive roadmap for coordinated and sustained efforts to combat GBV. Moreover, the Standard Operating Procedures

(SoP) for GBV Prevention and Response, providing clear national guidance for case handling and strengthening case management through training of service providers, are also implemented. The SoP is being revised to address emerging forms of GBV, including technology-facilitated violence and GBV in emergencies.

In the education sector, several proactive initiatives have been rolled out. One such initiative is the *Gakey Lamtoen* (Path to Happiness), piloted during the COVID-19 pandemic in 2020 to promote gender equality, reduce violence against women and girls (VAWG), and create safer communities. Building on its success, components of the pilot have been integrated into scouting Programmes, counselling sessions, and parent-teacher meetings. In addition, the Ministry of Education and Skills Development (MoESD) institutionalised age-appropriate comprehensive sexuality education (CSE) into the national curriculum from pre-primary to class XII across seven subjects, promoting respectful relationships and informed choices among students. The NCWC launched *Dekyid Thuendrel – Positive Parenting* in 2022, a three-year project promoting positive parenting and transforming harmful gender and power dynamics through a collaborative approach involving government agencies, civil society organisations (CSOs), and communities (see Box 2).

To strengthen legal support for GBV survivors and vulnerable groups, the Legal Aid Centre was established in October 2022. The Centre provides free legal services for civil and criminal cases to individuals who cannot afford legal assistance. Complementing legal support, the PEMA was established in June 2022 as the nodal agency for mental health services, with a focus on women, children, and vulnerable groups, and the mandate of protection services earlier provided by NCWC were transferred to The PEMA. As of May 2024, PEMA's case management services had supported 592 individuals—370 of whom were female—in issues related to GBV and child protection.

In the private sector, Sustainable Development Services (SDS) was launched to promote gender-





sensitive workplaces. This initiative includes developing internal gender policies, conducting mandatory gender sensitization and sexual harassment trainings for managers, setting up workplace harassment response mechanisms, and extending maternity leave to support working mothers.

Law enforcement reforms have also played a crucial role in addressing GBV. The Royal Bhutan Police (RBP) has institutionalised women- and child-friendly procedures in their training curricula. Over 200 officers received specialised training in 2020 and 2021 to enhance early identification and safe referral

of GBV cases. Dedicated Women and Child Protection Desks/Units have been established in major police stations in all 20 districts, with trained personnel providing responsive services. These units managed 268 cases in 2021 and 565 in 2022, offering tailored support to survivors and strengthening institutional capacity for GBV response.

These coordinated initiatives reflect Bhutan's continued commitment to preventing and responding to gender-based violence while promoting gender equality and safeguarding the rights and dignity of all individuals.

### Box 1: Dekyid Thuendrel - Positive Parenting

In 2022, the NCWC launched a comprehensive three-year project to Empower Communities to Address Violence Against Children. The project aims to promote a multi-sectoral collaboration between key government agencies, CSOs and the general public in promoting positive parenting at home, school and communities, transforming harmful and discriminatory gender and power dynamics and improving relationships and communication within the families. As part of this initiative, the pilot programme titled “*Dekyid Thuendrel* - Positive Parenting” was piloted in 15 schools in Thimphu *Thromde*<sup>3</sup>, 12 schools in Dagana, and 7 schools in Zhemgang, along with three core areas within Thimphu *Thromde*, 10 *Gewog*<sup>4</sup> in Dagana, and four *Gewogs* in Zhemgang.

Currently, the programme is being rolled out in 6 schools under Thimphu *Dzongkhag*. The programme aims to educate the children, parents and caregivers on the knowledge, attitude and skills of positive parenting, build resilience and confidence in boys and girls to express themselves safely and prevent violence at homes, schools, and communities by improving access to community-based child protection mechanisms and services. As part of the programme, a community-based child protection committee was formed in all the pilot *Gewog* and a school-based child protection committee in all the pilot schools. To encourage children to seek support and share their concerns and suggestions, a feedback box was implemented in all the project schools. Initial assessments of the intervention show its effectiveness in reducing violence and improving relationships between caregivers and children. This impact has been particularly beneficial for girls, who are more likely to experience violence at home, including sexual violence. The project also includes orientation sessions for *Dzongkhag* officials, local leaders, and civil society organisations on relevant laws, policies, and mechanisms in place. This multi-faceted approach creates a supportive environment for children, promoting their safety and well-being through education and community engagement.

Courtesy: National Review Report to the Thirtieth Anniversary of the Fourth World Conference on Women and Adoption of the Beijing Declaration and Platform for Action (1995), NCWC, RGoB June 2024.





## Promotion of women and girls in STEM and TVET

Recognising the vital role of women and girls in driving economic growth and empowerment through Science, Technology, Engineering, and Mathematics (STEM) and Technical and Vocational Education and Training (TVET), Bhutan adopted the National TVET Gender Strategy 2024 – 2028 in 2023. This strategy envisions a globally recognised, inclusive TVET system that respects, motivates, and empowers individuals to pursue high-quality, holistic technical education and training. It sets ambitious targets, including achieving gender parity in TVET enrolment and ensuring that at least 70% of female graduates secure employment within 12 months of graduation. By promoting equal access and outcomes, the strategy fosters a balanced and inclusive workforce, enabling women to fully participate in and benefit from Bhutan's socio-economic development.

The 13<sup>th</sup> FYP emphasises the transformation of TVET as a priority to achieve the goal of having at least 50 % of the workforce equipped with higher education or vocational skills by 2029.

## Unpaid care and domestic work

Bhutan acknowledges that the unequal distribution of unpaid care and domestic work continues to be a major barrier to women's full participation in the labour force, education and training opportunities, and their overall well-being. Recognising this, the Royal Government of Bhutan (RGoB) has prioritised measures to ease this burden, particularly for working mothers. One such effort includes the promotion and establishment of workplace crèches and Early Childhood Care and Development (ECCD) centres. As of now, there are 495 ECCD centres across the country - including community-managed, privately operated, and CSO-run centres - catering to 8,026 children and supported by 947 trained facilitators. Bhutan aims to achieve full ECCD enrolment coverage to ensure early learning opportunities for all children while enabling parents, especially women, to pursue employment and education.

To further support gender-responsive care

infrastructure, the State of the Nation Report 2023 highlighted the training of 24 gender and child focal persons across all 20 Dzongkhags and four Thromdes. These trained personnel play a key role in ensuring timely and appropriate services for women and children in need of care and protection. Additionally, three new workplace crèche facilities were established, increasing the total number to 28 nationwide, including the facility opened in 2021 by the Supreme Court of Bhutan to serve its own offices, the High Court, and the Bhutan National Legal Institute. These initiatives demonstrate the government's commitment to fostering an enabling environment for women to thrive professionally.

Complementing these efforts, maternal and child health services have also been strengthened through the operationalisation of the Queen Jetsun Pema Wangchuck Mother and Child Hospital (MCH) in 2024. This modern 150-bed facility offers specialised care in paediatrics, gynaecology, obstetrics, neonatal, and intensive care services, ensuring comprehensive support for women and children and contributing to the broader goal of gender equality and family well-being.

## Challenges and Areas of support required to accelerate progress toward Agenda 2030 gender equality targets

Enhanced integration of gender-responsive public finance management remains crucial with the integration of gender analysis in fiscal policies and strengthened capacities. Despite notable progress, Bhutan continues to face key challenges in advancing gender equality. One of the major constraints is the limited availability and accessibility of sex-disaggregated data across several sectors, which hampers effective gender analysis and evidence-based policymaking. In addition, the lack of harmonisation between administrative data systems and periodic surveys further complicates data-driven decision-making. Efforts to institutionalise gender mainstreaming in planning and budgeting - initiated through a pilot in four ministries - have not yet been scaled up due to inadequate technical capacity and the absence of robust frameworks. Moreover, while





the National Budget Report includes qualitative analyses, it does not yet incorporate gender impact assessments.

Advancing gender-responsive public finance management in Bhutan will require strengthened capacities, integration of gender analysis in fiscal policies, engagement of gender advocacy groups, and implementation of monitoring and evaluation mechanisms to assess the gender impacts of budgetary decisions.

An integrated approach is key for addressing gender disparities. A cross-sectoral analysis of gender equality in Bhutan reveals critical interlinkages between SDG 5 (Gender Equality) and other SDGs, underscoring the need for an integrated and holistic approach to addressing gender disparities. In the realm of health (SDG 3), the harmful use of alcohol has been identified globally as a major risk factor contributing to gender-based violence (GBV). In Bhutan, this link is further corroborated by evidence showing that key behavioural traits of male partners—frequent alcohol use, physical altercations, and extramarital relationships—are significantly associated with increased risks of intimate partner

violence<sup>72</sup>. These findings underscore the importance of addressing substance abuse and promoting healthier expressions of masculinity as essential strategies not only for improving health outcomes but also for reducing GBV.

Similarly, the intersection between climate change (SDG 13) and gender equality (SDG 5) is evident from the NCWC's Gender and Climate Change Survey 2020. The survey revealed that nearly half of the respondents acknowledged that climate change exacerbates the workload and vulnerabilities of women more than men. This perception highlights the disproportionate burden that women bear in the face of environmental and climatic stressors, due to their roles in caregiving, household management, and subsistence livelihoods. These findings reinforce the importance of gender-sensitive approaches in climate adaptation and disaster risk reduction, as well as the necessity of integrating gender perspectives into national environmental and climate policies.

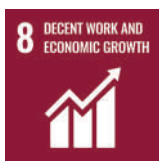
Altogether, these insights affirm that gender equality cannot be achieved in isolation and that progress on SDG 5 is closely intertwined with outcomes in health, climate action, and other development sectors.

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<sup>72</sup> GBV Elimination strategy 2024-2028.







## **SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

Bhutan's VNR 2021 highlighted the structural challenges in the economy, including its heavy reliance on capital-intensive public sector investments, particularly in hydropower, without generating sufficient employment opportunities. Other key concerns included rising youth unemployment, the vulnerability of hydropower to climate impacts, limited access to finance and technology for cottage and small industries (CSIs), and the growing debt burden. Recognising these constraints, Bhutan has since initiated several strategic reforms and interventions to diversify the economy, strengthen the private sector, and promote inclusive and sustainable growth.

While Bhutan has made significant progress in economic recovery and reform since the last VNR, many of the structural challenges identified in the VNR 2021 remain deeply relevant today. The COVID-19 pandemic inflicted a severe shock on the economy, reversing hard-won socio-economic gains and deepening existing vulnerabilities. The 12th Five-Year Plan (2018–2023) was particularly affected, with nearly three of its five years consumed by pandemic-related disruptions. This led to one of the most difficult implementation periods in recent history, nearly pushing the economy into a state of recession.

Compounding the domestic challenges were external shocks, including global geopolitical fragmentation and the international fuel crisis, which further strained Bhutan's economic resilience. These developments underscored the fragility of the country's economic structure, which remains heavily dependent on a few sectors and susceptible to global market volatility and climate-induced risks.

The government recognises the urgent need to address these issues, especially those with cross-cutting implications across sectors such as youth development, education, employment, and public service delivery. If left unaddressed, these interconnected challenges risk undermining Bhutan's aspirations for long-term economic resilience and inclusive prosperity.

### **Economic recovery trends and the role of the 13<sup>th</sup> Five-Year Plan**

Bhutan's economy has demonstrated steady progress toward recovery in the aftermath of the COVID-19 pandemic. In 2023, the economy expanded by 4.9 %, reaching a Gross Domestic Product (GDP) of USD 3,019.1 million. Concurrently, GDP per capita rose to USD 3,919.55, up from USD 3,833.03 in 2022 - reflecting a modest yet encouraging rebound<sup>73</sup>. The service sector remained the dominant contributor, accounting for 55.5 % of GDP, followed by the industrial sector at 29.6 %. Despite these gains, Bhutan's growth trajectory remains below the pre-pandemic level of 5.8 % in 2019<sup>74</sup>, underscoring the continued need for structural reforms and targeted investments.

In this context, the 13<sup>th</sup> FYP assumes extraordinary significance. More than a routine policy cycle, the 13<sup>th</sup> FYP is conceived as a transformative blueprint to complete the “unfinished business” of the 12<sup>th</sup> FYP and deliver a bold, forward-looking economic shift. Anchored in the recently launched 21<sup>st</sup> Century Economic Roadmap, the plan outlines an ambitious strategy to drive high-impact investments in productive sectors, advance economic diversification, and generate meaningful employment, especially for youth and vulnerable populations. The Roadmap's goal of increasing Bhutan's real GDP tenfold by 2050 reflects the country's aspirations for a resilient, innovation-driven, and green economy, while staying firmly committed to carbon neutrality and the principles of GNH.

<sup>73</sup> National Accounts Statistics 2024, NSB, RGoB

<sup>74</sup> The average growth of Bhutan's economy in the last three decades before the pandemic was 7.5% (12th FYP 2018-2023)





The 13<sup>th</sup> FYP also prioritises Bhutan's strategic objectives of attaining high-income status by 2034, reducing inequality, and strengthening inclusive governance. These ambitions are backed by targeted measures to promote entrepreneurship, skills development, innovation, and green technologies, ensuring not just growth but transformation. As such, the 13<sup>th</sup> FYP stands as Bhutan's most critical vehicle for navigating the post-pandemic recovery, addressing persistent structural challenges, and accelerating progress on the Sustainable Development Goals, particularly SDG 8.

### **Employment, Skills, and Labour Market Dynamics**

Bhutan's labour market has shown encouraging signs of recovery in recent years. By the first quarter of 2025, the overall unemployment rate had declined to 3.6 %, reflecting gradual stabilisation in the job market following the disruptions caused by the COVID-19 pandemic. More notably, youth unemployment—long considered one of the country's most pressing economic concerns—dropped significantly from 28.6% in 2022 to 17.1 % in the first quarter of 2025<sup>75</sup>. These improvements represent meaningful strides in advancing SDG 8, particularly in promoting productive employment and decent work for all.

However, the broader development context has become increasingly complex, marked by interlinked challenges. One of the most concerning trends is the steep rise in outmigration, particularly among young and educated Bhutanese. As of 2023, an estimated 42,829 Bhutanese were reported to be residing in 111 countries<sup>76</sup> (excluding the unregistered Bhutanese living abroad). By July 2024, the migration increased to 64,000<sup>77</sup>, which further increased to 66,068 by December 2024<sup>78</sup> - a figure that continues to grow. While international mobility may offer opportunities, the outmigration of productive and skilled citizens presents serious implications for Bhutan's long-term human capital development, labour force availability, and socio-economic cohesion. This trend is rooted in deeper structural issues, including limited access to

high-quality employment, constrained entrepreneurial pathways, and misalignment between education and market needs.

In response, Bhutan has implemented several targeted initiatives to promote entrepreneurship and strengthen the employment landscape. The establishment and upscaling of Cottage and Small Industries (CSIs) has been a key focus area, supported by the implementation of the Entrepreneurship Development Programmes and a range of domestic and international engagement programmes. The introduction of the Labour Market Intelligence strengthening interventions aims to improve alignment between training and workforce needs, complemented by the rollout of innovative post-schooling career guidance services.

Special attention has also been given to empowering vulnerable groups. Persons with disabilities (PWDs), overseas returnees, individuals in difficult circumstances, and those with legal conflicts have been provided tailored entrepreneurship training and follow-up support to establish sustainable livelihoods. To improve market access and enhance the visibility of Bhutanese products, CSI markets have been established in Thimphu and Paro, alongside international outlets in New York and Perth. These platforms serve as vital conduits for connecting local producers with global markets. Additionally, Startup Centres have been created to nurture innovation and support early-stage businesses with incubation and advisory services.

Looking ahead, the 13<sup>th</sup> FYP prioritises building a healthy, educated, and skilled workforce capable of meeting the demands of a rapidly evolving economy. The plan sets an ambitious goal of ensuring that by 2029, at least 50 % of the workforce possesses higher education or vocational qualifications. Central to this effort is the 21st Century Skilling Programme, which focuses on equipping Bhutanese citizens with relevant knowledge and competencies for future economic needs.

<sup>75</sup> Quarterly Labor Force Survey Report 2025, MoICE, RGoB.

<sup>76</sup> 13th FYP 2024-2029, RGoB

<sup>77</sup> The State of the Nation Report by the Prime Minister, First Session of the Fourth Parliament, July 2024.

<sup>78</sup> Department of Protocol and Consular Affairs, MoFAET.



Key interventions under this initiative include a comprehensive transformation of the Technical and Vocational Education and Training (TVET) system and the restructuring of the tertiary education sector. The aim is to improve quality, diversify Programmes, and align education and training with emerging demands in sectors such as manufacturing, energy and environment, agriculture, mining, construction, tourism, digital and creative industries, finance, and social services like health and education.

The TVET reform agenda includes upgrading infrastructure with cutting-edge technology, enhancing the professional capacities of instructors, and revamping curricula to better reflect industry requirements. Meanwhile, the tertiary education system, though already undergoing reform, still requires significant restructuring to raise quality standards to international levels and produce graduates equipped for high-value roles in priority economic sectors.

Together, these initiatives reflect Bhutan's commitment to addressing structural constraints in the labour market and unlocking the potential of its human capital. Through an integrated approach that combines education, skills development, entrepreneurship, and market access, the 13<sup>th</sup> FYP aims to foster inclusive and sustainable employment growth and build a resilient foundation for future economic prosperity.

### **Private Sector Development and Economic Diversification**

Bhutan's economic structure continues to reflect vulnerabilities, shaped by its unique geographical and developmental context. As a Landlocked Developing Country (LLDC), Bhutan faces inherent challenges such as a lack of territorial access to the sea and remoteness from major global markets. These structural constraints significantly impede trade competitiveness, limit connectivity, and pose persistent barriers to broader socio-economic development.

Bhutan's economic growth has long been anchored in hydropower, a sector that has generated vital revenue and export earnings, supported investments in infrastructure and services such as health and education, and attracted foreign direct investment in energy-intensive Industries. While direct employment remains modest<sup>79</sup>, hydropower has laid a strong foundation for broader economic diversification and development. Efforts to diversify the economy have been underway, but progress has been gradual and the impact limited. As a result, Bhutan's narrow economic base continues to pose vulnerabilities to external shocks and climate-related risks, particularly in the hydropower sector.

One of the most pressing challenges remains the underdevelopment of the private sector. Despite its recognised importance as an engine of growth, Bhutan's private sector continues to face significant structural and policy-related barriers. State-Owned Enterprises (SOEs) still play a dominant role in the economy, including in commercially viable areas such as manufacturing, real estate, and trading, spaces where the private sector is both willing and capable of participating<sup>80</sup>. The presence of SOEs in these areas has sometimes hindered the growth of private businesses, while the overall performance and efficiency of many SOEs themselves remain questionable. In addition, policy incoherence and overlapping mandates have continued to blur the vision for private sector development, undermining confidence and investor engagement.

Over 90% of Bhutanese businesses fall under the category of cottage and small industries (CSIs), which are a vital part of the national economy and entrepreneurial ecosystem. However, CSIs face multiple challenges, including limited access to finance, driven by high interest rates and stringent collateral requirements, and difficulties in product certification that hamper access to domestic and international markets. Further compounded by cross-border payment barriers and inadequate support systems, the business environment remains fragile.

<sup>79</sup> Currently over 6,000 Bhutanese according to the DoE, MoENR

<sup>80</sup> Thirteenth Five Year Plan (2024-2029), RGoB.





As a result, an estimated 9 out of 10 start-ups fail within the first two to three years of operation<sup>81</sup>, pointing to the urgent need for structured, sustained, and well-coordinated mechanisms to nurture and sustain enterprises.

These challenges underscore the critical need for Bhutan to accelerate its economic diversification efforts, strengthen private sector capabilities, and build a more dynamic and resilient economic ecosystem. The upcoming sections will highlight key reforms and initiatives undertaken in this regard, as well as the strategic priorities outlined in the 13<sup>th</sup> FYP to drive long-term structural transformation.

In light of these structural limitations, the 13<sup>th</sup> FYP outlines a transformative agenda aimed at achieving high-income status by 2029, with a projected GDP of USD 5 billion and GDP per capita exceeding USD 6,174. Central to this vision are three national Programmes focused on driving economic diversification both in products and markets: *the Economic Transformation Programme (ETP)*; *the 21st Century Skilling Programme*, and *the Ecological Diversity and Resilience Programme*.

**The Economic Transformation Programme** serves as the flagship initiative to stimulate private sector development and foster investments in strategic infrastructure and newly identified growth drivers. A comprehensive Business Regulatory Process Review was undertaken to resolve regulatory bottlenecks and improve the overall business ecosystem. In support of this, Bhutan established the Economic Development Board (EDB) in 2024, chaired by the Prime Minister, to enhance the investment climate, facilitate foreign direct investment (FDI), and support small businesses in accessing diverse funding sources. A revision of the FDI policy is also underway to better align with emerging economic opportunities. Recognising the need for greater private sector participation, the government is preparing to gradually privatise select SOEs that could operate more efficiently under private management, while continuing to acknowledge the critical role of SOEs in the economy<sup>82</sup>.

Simultaneously, the 13<sup>th</sup> FYP emphasises expanding trade infrastructure and facilitation, including investments in industrial estates and ports. Targeted interventions will be made across nine priority growth sectors: agriculture and livestock; tourism; hydropower; alternative renewable energy; mining; manufacturing; construction; niche services; and the digital and creative economy. As part of advancing its regional integration, Bhutan recently signed a Free Trade Agreement (FTA) with Thailand in April 2025, with new trade agreements with other countries to be initiated, including Singapore, Vietnam, Malaysia, and the Republic of Korea<sup>83</sup>. These agreements are expected to create new pathways for exports, technology transfer, and foreign partnerships.

To support post-pandemic economic recovery and to address financing barriers for small enterprises, the Royal Government launched the Economic Stimulus Plan (ESP) in 2024, supported by the Government of India with a Nu. 15 billion funds. The ESP has already benefited sectors such as agriculture and the creative industry. A key initiative under the ESP is the introduction of concessional credit lines to support start-ups and CSIs, particularly in the manufacturing and production sectors. This is complemented by the design of financial incentives, tailored credit schemes, and investment engagement Programmes, alongside enhanced efforts to improve financial literacy.

**The 21st Century Skilling Programme** under the 13<sup>th</sup> FYP seeks to equip the workforce with the skills necessary to thrive in a rapidly evolving economy, as discussed in the earlier section. This includes a comprehensive transformation of the Technical and Vocational Education and Training (TVET) system, alongside reforms in the tertiary education sector to better match industry demands, especially within the priority sectors.

Lastly, the **Ecological Diversity and Resilience Programme** underscores Bhutan's enduring commitment to sustainable development by building a green economy, details of which are elaborated in the subsequent section. Together, these strategic

<sup>81</sup> Written contribution from stakeholders in the VNR process.

<sup>82</sup> Thirteenth Five Year Plan (2024-2029), RGoB.

<sup>83</sup> Stakeholder consultation



reforms position the 13<sup>th</sup> FYP as a holistic blueprint for long-term structural transformation and resilient economic growth.

### **Tourism and Green Economic Transformation**

Bhutan's 13<sup>th</sup> FYP reaffirms the nation's deep-rooted commitment to climate-resilient development and sustainable economic transformation, with tourism and renewable energy at the core of its green growth strategy. Given that Bhutan's economy is largely dependent on climate-sensitive sectors such as water resources, hydropower, agriculture and livestock, forestry, biodiversity, and tourism, the adverse impacts of climate change pose significant threats to its long-term socio-economic stability. Consequently, the Royal Government places climate adaptation and mitigation as a central priority, mainstreaming climate considerations across all key development sectors. This is closely aligned with Bhutan's implementation of its Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy (LTS), which outlines comprehensive mitigation and adaptation pathways in sectors such as manufacturing, food security, transport, human settlement, energy, water, forests and biodiversity, agriculture, and public health.

The green economic transformation envisioned in the 13<sup>th</sup> FYP is firmly underpinned by prudent natural resource management and the promotion of ecosystem services, which are aligned with SDG 12 (ensure sustainable consumption and production patterns). Priority areas are sustainable water resource management, development of carbon assets, fostering a circular economy, and supporting eco-tourism and nature-based enterprises. These interventions are not only essential for achieving national sustainability goals but also demonstrate Bhutan's proactive alignment with SDG 13 on Climate Action by advancing low-carbon development,

enhancing climate resilience, and building adaptive capacity at all levels.

Tourism, one of Bhutan's most promising green sectors, continues to receive renewed focus as a key sector for foreign exchange earnings, government revenue, and employment generation. Post the VNR 2021, Bhutan has made efforts in enhancing tourism infrastructure—this includes the upgrading of trek routes and campsites, roadside amenities, trail digitisation, and professional capacity-building within the sector. Under the 13<sup>th</sup> FYP, tourism remains a high-priority sector, with renewed efforts aimed at diversifying tourism products and experiences, professionalising services, and expanding marketing strategies to attract at least 300,000 tourists annually. Marking a significant step in shaping the future of the tourism industry, the RGoB launched the Bhutan Integrated Tourism Master Plan (2025-2034) in February 2025. The plan outlines a ten-year roadmap designed to position the country as a global leader in regenerative and high-value tourism. Furthermore, a comprehensive review of Bhutan's tourism policy is currently underway to ensure the sector's resilience and adherence to Bhutan's high-value, low-impact tourism model. Special emphasis will be placed on promoting tourism in lesser-visited Dzongkhags to spread socio-economic benefits more equitably across the country. These initiatives also contribute directly to climate goals by promoting sustainable livelihoods that preserve the natural ecosystems.

In essence, Bhutan's efforts in tourism and green economic transformation embody the spirit of SDG 12 and SDG 13. The interlinkages between climate action and economic development are explicitly recognized in the 13<sup>th</sup> FYP, making Bhutan a model for integrating environmental sustainability with inclusive economic growth.



## Box 2: Gelephu Mindfulness City (GMC)

**Gelephu Mindfulness City (GMC)** represents Bhutan's most ambitious and visionary economic development initiative to date, unveiled by His Majesty the King during the 116th National Day celebrations on December 17, 2023. Situated along Bhutan's southern border with India, the city is strategically planned as a Special Administrative Region—distinct from the country's existing legal and administrative frameworks—to harness regional connectivity between South and Southeast Asia. Encompassing 2,500 square kilometers, GMC is envisioned as a clean technology and innovation hub that integrates sustainable urban planning, Bhutanese cultural values, and spirituality within a modern, eco-friendly infrastructure.

Designed to attract global investment, the city will implement business-friendly regulations and promote low-rise, plastic-free urban development powered entirely by renewable energy. Notably, GMC will host Asia's first fully digital reserve bank, "*Oro*," and introduce a blockchain-based digital currency, "*Ter*," with a focus on secure and transparent financial transactions. All infrastructure, including a regional international airport and digital networks, will operate on green energy. The city will also promote cycling and support artificial intelligence innovation.

GMC's development framework is anchored around seven key economic clusters: spirituality, health and wellness, education and knowledge, green energy and technology, finance and digital assets, agri-tech and forestry, and aviation and logistics. Through these clusters, GMC seeks to address critical socio-economic challenges such as youth unemployment and urban migration, while advancing mindful living, ethical investments, and green innovation.

Functioning as an autonomous region with independent executive, legislative, and judicial branches, GMC ensures governance that emphasizes transparency, accountability, and sustainability. Reflecting Bhutan's enduring development philosophy of "Building with Nature," the city aspires to be a global exemplar of balanced economic growth, cultural preservation, and environmental stewardship under the broader aspirations of Sustainable Development Goal 8.

Source: [https://en.wikipedia.org/wiki/Gelephu\\_Special\\_Administrative\\_Region](https://en.wikipedia.org/wiki/Gelephu_Special_Administrative_Region)

### Challenges and Areas of Support Required to Accelerate Progress Toward Agenda 2030 Targets on Sustainable and Inclusive Economy

Bhutan continues to face significant challenges in realising SDG 8 on decent work and economic growth. A foremost concern is the rising trend of outmigration, particularly among the youth, which underscores the urgent need to create attractive domestic employment and entrepreneurship opportunities. While economic recovery from the COVID-19 pandemic remains a national priority, translating this into tangible job creation and private sector revitalisation is complex and requires concerted effort. In this regard, the timely and effective implementation of the Economic Stimulus Plan and the Economic Transformation Programme under the 13<sup>th</sup> FYP is imperative. Furthermore, the recommendations of the Business Regulatory Process Review must be swiftly operationalised to foster a more enabling and efficient business ecosystem in the country.

Given the inherent limitations of a small and resource-constrained economy, Bhutan is proactively pursuing a range of domestic measures to meet its sustainable

development objectives. These include fiscal consolidation, public financial management reforms, and the adoption of innovative financing instruments and climate financing mechanisms. Domestic efforts alone, however, are insufficient to meet the scale of Bhutan's development ambitions.

At a critical juncture, where the country must simultaneously accelerate progress toward the 2030 Agenda, ensure a smooth and sustainable transition from Least Developed Country (LDC) status, revive its economy, and strengthen resilience to climate change, Bhutan faces increased fiscal and capacity pressures, particularly in the context of declining overseas development assistance. In its 2024 annual LDC Graduation Report to the UN Committee for Development Policy (CDP), Bhutan outlined the comprehensive scope of its 13<sup>th</sup> FYP across economic development, climate action, international trade, and human capital development. The Royal Government of Bhutan reiterates its call for continued and enhanced support from international development partners to ensure that no one is left behind in its pursuit of sustainable and inclusive growth.





## SDG 13: Take urgent action to combat climate change and its impacts

Bhutan has consistently demonstrated strong climate leadership, underpinned by its pioneering commitment to remain carbon neutral—a pledge first declared in 2009. This commitment was reaffirmed through the submission of Bhutan’s Second Nationally Determined Contribution (NDC 2.0) in June 2021. Reflecting this ambition, Bhutan recorded a total greenhouse gas (GHG) emission of 1,742.51 Gg CO<sub>2</sub>e in 2022. Thanks to its extensive forest cover and effective land use practices, the country achieved an estimated total carbon sequestration of 11,450.45 Gg CO<sub>2</sub>e through forests, cropland, and grasslands. This resulted in a net negative emission of -9,707.94 Gg CO<sub>2</sub>e<sup>84</sup>, reinforcing Bhutan’s status as a carbon-negative nation. Notably, the country also saw a reduction in gross emissions compared to 2,723.28 Gg CO<sub>2</sub>e recorded in 2020<sup>85</sup>, signalling progress in sustainable development and climate action.

However, sustaining Bhutan’s carbon neutrality pledge in the long term may increasingly become a challenge. As reiterated in its VNR 2021, Bhutan highlighted the findings from its Third National Communication (TNC) to the United Nations Framework Convention on Climate Change (UNFCCC), which underscored growing pressures on the country’s carbon sink. According to the TNC, Bhutan’s carbon sink - estimated at 6,309.6 Gg CO<sub>2</sub>e (NEC, 2012)- is projected to be exceeded under the Business-As-Usual (BAU) scenario between 2035 and 2040, threatening its carbon neutral status<sup>86</sup>. This concern is recently echoed (by the World Bank 2024), which notes that rising emissions, driven by trends such as urbanisation, increasing fossil fuel-based energy use, and growing emissions from the transport and waste sectors, pose substantial risks to Bhutan’s low-carbon development path<sup>87</sup>. These

projections highlight the urgent need for sustained investment in mitigation measures, policy innovation, and international climate finance to safeguard Bhutan’s carbon neutrality commitment in the face of evolving socio-economic dynamics.

In addition, Bhutan remains highly vulnerable to the adverse impacts of climate change. Future climate projections suggest an increase in total annual precipitation, but with more erratic rainfall patterns, and a rise in temperatures, particularly at higher altitudes. There is also a potential increase in the duration and frequency of dry spells, with localized dry periods expected to intensify. These changes pose significant challenges in meeting growing water demands for domestic, industrial, and agricultural needs. Moreover, Bhutan faces heightened risks of Glacial Lake Outburst Floods (GLOFs), triggered by accelerated glacial melting, which threaten lives, infrastructure, and ecosystems across vulnerable mountain communities.

Bhutan’s VNR 2021 highlighted the need to strengthen resilience and adaptive capacity to climate-related disasters; improve integration of climate change measures into national policies and planning; enhance capacities for climate change research and data management; and enhance investment in climate-friendly technologies and local solutions.

### Strengthening Resilience and Adaptive Capacity to Climate-Related Disasters

Bhutan has made efforts to strengthen resilience and adaptive capacity to climate-related disasters. In 2023, Bhutan launched its National Adaptation Plan (NAP), a comprehensive strategic framework aimed at enhancing national resilience to the impacts of climate change. The NAP responds to increasing vulnerabilities across seven key sectors such as agriculture & livestock, water resources, human health, human settlements, forests & biodiversity, energy, climate services and disaster risk reduction.

<sup>84</sup> Bhutan’s First Biennial Transparency Report to the UNFCCC 2024 (BTR 2024)

<sup>85</sup> First Biennial Update Report to the UNFCCC 2022 (BUR 2022)

<sup>86</sup> Third National Communication to the UNFCCC 2020, RGoB

<sup>87</sup> Bhutan Environment Analysis 2024, World Bank.





It outlines adaptation priorities and enabling activities and is designed to integrate climate change adaptation into development planning processes and strategies across all sectors over the medium to long term. This builds on Bhutan's earlier adaptation efforts under the National Adaptation Programme of Action (NAPA) and aligns with the Climate Change Policy of the Kingdom of Bhutan, 2020. To operationalise the NAP, Bhutan developed sectoral roadmaps for Water, Agrifood, and Energy, providing targeted adaptation strategies for each domain.

In parallel, the country has initiated the LDC Initiative for Enhanced Adaptation and Resilience (LIFE-AR), identifying six districts for pilot adaptation projects<sup>88</sup>. These initiatives are designed to support local-level adaptation planning and implementation based on vulnerability assessments and community needs.

### **Integration of Climate Change Measures into National Policies and Planning**

Given that Bhutan's economy is largely dependent on climate-sensitive sectors such as water resources, hydropower, agriculture and livestock, forestry, biodiversity, and tourism, the adverse impacts of climate change pose significant threats to its long-term socio-economic stability. Consequently, the Royal Government places climate adaptation and mitigation as a central priority, mainstreaming climate considerations across all key development sectors. This is closely aligned with Bhutan's implementation of its Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy (LTS), which outlines comprehensive mitigation and adaptation pathways in sectors such as manufacturing, food security, transport, human settlement, energy, water, forests and biodiversity, agriculture, and public health.

To further institutionalise climate action across all sectors, Bhutan has taken significant steps to integrate climate change considerations into national policies and planning frameworks. As part of the civil service reform initiated in 2022, the government reorganised the National Environment Commission

(NEC), enhancing its role and structure to better coordinate national environmental governance. The NEC now functions as the National Climate Change Committee (NCCC) and is chaired by the Secretary of the Ministry of Energy and Natural Resources (MoENR). This body serves as the high-level cross-sectoral coordination mechanism for environmental policy, with responsibilities extending to climate change policy formulation, monitoring, and cross-agency collaboration.

Supporting the NCCC is the Department of Environment and Climate Change (DECC) under the MoENR<sup>89</sup>. This reform enhances the institutional capacity for mainstreaming climate change across development sectors and levels of governance.

Further strengthening this integration, climate resilience and ecological diversity have been adopted as a national programme under the 13<sup>th</sup> FYP. One of the key projects under this programme is Building Carbon Assets, to align the national development priorities with low-emission and climate-resilient growth. This initiative not only contributes to emissions reduction but also creates opportunities for Bhutan to engage with international carbon markets.

### **Enhancing Capacities for Climate Change Research and Data Management**

A key milestone in strengthening institutional and technical capacities for climate change research, data management, and reporting was the comprehensive skills assessment undertaken to evaluate national readiness for implementing the National Adaptation Plan (NAP). This assessment identified capacity needs across central agencies, local governments, the private sector, and civil society, highlighting critical gaps in technical, managerial, and participatory competencies for effective planning, implementation, and monitoring. The findings also pointed to systemic challenges such as limited inter-agency coordination, inadequate institutional memory due to high staff turnover, fragmented training mechanisms, and the absence of a consolidated capacity development

<sup>88</sup> These include Gasa, Samtse, and Trashiyangtse in the first phase; Punakha and Mongar in the second phase; and Chhukha in the third phase.

<sup>89</sup> Former National Environment Commission Secretariat (NECS), which was restructured and renamed on December 30, 2022.



strategy integrating climate adaptation into broader national frameworks.

To address some of these gaps, Bhutan has initiated several targeted interventions, including:

- 🌿 Strengthening automated air quality monitoring systems and infrastructure to support improved data collection and environmental surveillance;
- 🌿 Development of a capital accounting system to integrate natural capital into policy and planning processes;
- 🌿 Implementation of the Capacity Building Initiative for Transparency (CBIT) under the Enhanced Transparency Framework (ETF), funded by the Global Environment Facility (GEF). The CBIT project is building technical and institutional capacity to compile greenhouse gas (GHG) inventories aligned with IPCC guidelines and to support Bhutan's Biennial Transparency Report (BTR) submissions to the UNFCCC. The project is strengthening institutional coordination and information management systems to enable consistent cross-sectoral collaboration, data collection, and reporting; improve data generation and verification; and build technical capacity by training national and sectoral staff on GHG inventory methodologies, tools, and NDC reporting for both mitigation and adaptation.
- 🌿 The National Ozone Unit has signed an MoU with the College of Natural Resources for the collection of hydrofluorocarbons (HFC) consumption data to develop a national HFC quota strategy.
- 🌿 Development of a Measurement, Reporting and Verification (MRV) system in collaboration with the GovTech Agency, which will cover GHG emissions, adaptation and mitigation efforts, and climate finance under the CBIT project;
- 🌿 Delivery of training workshops on GHG inventory preparation, ETF requirements, and Modalities, Procedures and Guidelines (MPGs) to enhance

technical skills across relevant agencies and better inter-sectoral collaboration.

Despite these efforts, Bhutan continues to face significant capacity constraints as reported through the BTR 1. The DECC, as the coordinating entity, lacks a comprehensive system for monitoring, documenting, and archiving climate-related data, leading to ad hoc and inconsistent reporting. The absence of standard operating procedures for data management has resulted in varied practices across institutions. To overcome this, formal memoranda of understanding (MoUs) between DECC and line agencies are needed to standardise data-sharing protocols and clarify institutional roles and responsibilities.

Furthermore, the Bhutan Climate Platform, initially established to coordinate national climate actions, is currently in the process of revitalisation. Challenges such as limited accountability mechanisms, overlapping mandates, and insufficient inter-ministerial coordination have undermined the platform's effectiveness. Moreover, a lack of clarity around institutional roles, the absence of a climate finance tracking tool, and deficiencies in MRV-related human resources and technical expertise have hindered Bhutan's ability to align fully with the Enhanced Transparency Framework under the UNFCCC. Sectors continue to depend on temporary, ad hoc reporting frameworks, which compromise the reliability and sustainability of climate data management systems.

### Enhancing Investment in Climate-Friendly Technologies and Local Solutions

Bhutan recognises the critical need to increase investments in climate-friendly technologies and locally tailored solutions to address both mitigation and adaptation needs. The country has taken several strategic steps in this direction, with initiatives spanning across energy, transport, industry, forestry, and sustainable human settlements.

To support sectoral transitions toward low-carbon development, Bhutan developed the Low Emission Development Strategies (LEDS) for key sectors—





Surface Transport, Food Security, Industry, and Human Settlements—in 2021. These strategies serve as guiding frameworks to steer sectoral policies and investments toward sustainable, low-emission pathways. These LEDs are currently being reviewed and shall be updated as part of the NDC 3.0 preparation.

In the energy sector, hydropower continues to serve as a major pillar of Bhutan's economy and a cornerstone of its renewable energy agenda. Building on the existing capacity of nearly 3,500 MW<sup>90</sup>, the REDR outlines the development and commissioning of ~13,000 MW of large and small hydropower projects by 2034. These efforts are expected to enhance Bhutan's energy security, reduce reliance on imports, and maintain its status as a net-zero emitter. Additionally, diversification of the energy mix through alternative renewable sources, such as solar and wind, is being prioritised. Although Bhutan currently generates only 5.83 MW of solar power, several solar projects with a combined capacity of more than 1,000 MW will be developed within the 13<sup>th</sup> FYP and an additional 1,500 MW by 2034<sup>91</sup>.

Moreover, Bhutan is exploring the production of green hydrogen as a frontier solution for the clean energy transition. A Hydrogen Roadmap was developed in 2024, followed by the launch of a 5 MW pilot green hydrogen plant in Thimphu. If scaled successfully, green hydrogen has the potential to reduce Bhutan's carbon footprint significantly, boost energy security, create jobs, and improve the trade balance<sup>92</sup>.

These energy-related initiatives are not only crucial for Bhutan's domestic climate agenda but also offer regional benefits, reinforcing Bhutan's leadership in environmental stewardship and positioning the country as a key player in the global low-carbon transition.

Bhutan is also spearheading an electric vehicle

(EVs) initiative to decarbonise the transport sector, aligned with the LEDS for surface transport. Since the EV initiative first commenced in 2013, there are now 715 EVs in the country as of December 2024, the majority (85%) of which are used by the private sector (as individual use or for public transport use, such as a Taxi)<sup>93</sup>. Several initiatives are in the pipeline, such as the procurement of EVs and e-buses, the installation of charging stations, and the revision of the draft EV Roadmap.

At the national level, the launch of Bhutan's Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy (LTS) in 2023 reflects the country's long-term commitment to a net-zero and climate-resilient future. The LTS provides a vision to guide climate action up to 2050, integrating both mitigation and adaptation pathways.

Forests continue to play a central role in Bhutan's climate agenda. The 13<sup>th</sup> FYP has set a target to replant fire-resistant plants on 200 hectares over the next five years, although the sustainability and survival rate of the plantation remains a concern requiring further investment and innovation<sup>94</sup>. Several other initiatives are also in the pipeline, such as mangrove to mountain initiatives and the million-fruit-tree initiative led by the government and CSOs.

### Climate Financing for Low-Carbon, Climate-Resilient Development

While Bhutan's development agenda successfully integrates climate change-related concerns into its strategic plans and policies, the country's domestic resources remain constrained<sup>95</sup>. Bhutan recognises that it will need to leverage global partnerships and climate financing mechanisms to transition to a low-carbon, climate-resilient economy, as outlined in its climate commitments.

In this context, Bhutan established domestic climate financing structures that can mobilise both financial

<sup>90</sup> Administrative data collected from DoE, MoENR

<sup>91</sup> Administrative data collected from DoE, MoENR

<sup>92</sup> Hydrogen Roadmap of Bhutan, DoE, MoENR 2024

<sup>93</sup> Administrative data collected from the Department of Surface Transport, RGoB.

<sup>94</sup> Stakeholder consultation

<sup>95</sup> Fiscal situation elaborated under the SDG 17 section on Financing.



resources and carbon credits for climate action (see Box 4):

- 🌿 Bhutan Carbon Market and the Bhutan Climate Fund (BCF) have been established as part of this broader financing strategy. These initiatives are designed to channel resources into high-integrity climate projects and enhance Bhutan's participation in international carbon markets.
- 🌿 The governance structure for the operationalisation of the Bhutan Climate Fund has been set up, with the Carbon Market Policy serving as a guiding document. This framework outlines institutional arrangements, the carbon assets development process, and the operationalisation of the BCF and the National Carbon Registry.
- 🌿 The National Carbon Registry, launched during COP 28 in Dubai, enables Bhutan to record and track carbon credits, ensuring transparency and

high-integrity credits in the market, which are essential for the international carbon market.

- 🌿 Bhutan adopted the Carbon Market Rules for the Kingdom of Bhutan (2023), fulfilling the participation requirements for Bhutan's involvement in the International Carbon Market.
- 🌿 Recently, Bhutan signed an Implementation Agreement on Carbon Market Cooperation with the Government of the Republic of Singapore, under Article 6.2 of the Paris Agreement. This agreement facilitates Bhutan's participation in international carbon markets, enabling the country to benefit from carbon trading and enhance its climate finance capacity.

Through these strategic initiatives, Bhutan is laying the foundation for a structured and transparent carbon market. The Bhutan Climate Fund acts as an intermediary for carbon transactions, aggregating

### Box 3: Bhutan Climate Fund and Carbon Market - Advancing Carbon Neutrality through Innovative Climate Finance

The Bhutan Climate Fund (BCF) is a financing mechanism established within Bhutan to facilitate carbon market/Article 6 transactions from Bhutan. The fund was initially established with the World Bank as a Bank Executed Trust Fund during COP28 in Dubai in 2023, which will be transitioned to Bhutan-owned fund when enough capacity is built in-house. The BCF is designed to pool resources, aggregate projects and credits to reduce the transaction cost of carbon market participants, ensuring small-scale carbon projects are relevant and viable to international carbon markets. The fund will also aggregate corresponding adjustment fees collected from the mitigation projects, which will support climate actions within Bhutan.

The fund has an initial capitalization plan of USD 50 million from varying sources such as national/sovereign fund, private sectors and philanthropists. The fund is to support underlying mitigation activities, which are intended to generate carbon credits. The return on investment to the

fund will be the emission reduction credits rather than monetary return, meaning investors will be compensated in the form of carbon credits, which can offset their emissions. The fund will ensure due diligence of the projects and hedge authorization and corresponding adjustment risk for investors and project developers, making Bhutan a trusted and viable destination for carbon projects. While the fund will help monetize Bhutan's climate actions, it can also raise environmental ambitions and ensure high environmental integrity, carbon projects and carbon credits.

Bhutan's recent GHG inventory indicates only 1.7 MtCO<sub>2</sub>e emissions from the economy, while Bhutan's forest sequesters 11.4 MtCO<sub>2</sub>e, leaving Bhutan with - 9.7 MtCO<sub>2</sub>e offset potential annually. The First carbon-negative country of the world puts Bhutan in a unique position to leverage carbon markets under Article 6 of the Paris Agreement. This negative emission secures Bhutan's climate target to remain carbon neutral perpetually, while





also allowing for the trading of additional mitigation outcomes to offset others' NDC and other mitigation purposes. The BCF will facilitate monetization of climate actions while also mitigating the risk of Bhutan not meeting its own NDC targets.

As part of the carbon market/Article 6 strategy, Bhutan has also announced the Positive List - an eligible list of sectors and activities that will be eligible to develop carbon projects and trade carbon credits from Bhutan under BCF. The broad list of 9 activities is focused to reduce or remove emissions for the economic operations of different emitting sectors. The entry point for any investors to develop carbon projects can be through the identification of interested projects from the Positive List. Bhutan has also established bilateral cooperation under Article 6.2 of the Paris Agreement with Singapore and is currently exploring the potential to also collaborate under

the Bhutan Climate Fund.

The Bhutan Climate Fund and its oversight functions to carbon markets (compliance and voluntary) within Bhutan are expected to unlock carbon financing and shall contribute to the overall climate financing of the country. While the Climate Fund provides the institutional and financial infrastructure for scaling up climate investments, the carbon market enables Bhutan to generate and sell carbon credits through internationally verified projects. These mechanisms complement each other by mobilizing much-needed finance, incentivizing sustainable development practices, and enhancing Bhutan's role in global climate governance. More importantly, they provide a replicable model for how small states can leverage climate finance instruments to maintain carbon neutrality while advancing national development objectives.

Source: Department of Environment and Climate Change, MoENR.

financial resources and carbon credits to support climate projects. This innovative financing mechanism is expected to be a critical tool in scaling up Bhutan's efforts to address climate change while meeting its national and international climate goals.

### **Challenges and areas of support required to accelerate progress toward Agenda 2030 climate targets**

Bhutan acknowledges that all means of climate financing, including private sector investment, are essential to achieving its low-carbon, climate-resilient development goals. This is particularly critical for sustaining Bhutan's carbon neutrality pledge, a key component of Bhutan's sustainable development pathway. To realize these goals, global resource mobilization remains central, ensuring that Bhutan can secure the necessary financing to support its broader climate commitments.

*Bhutan's Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy (LTS) 2023* projects a financing requirement of

approximately USD 2.1 billion by 2030 and USD 3.2 billion by 2050 to implement its adaptation measures. As a carbon-negative country with minimal historical responsibility for global greenhouse gas emissions, yet disproportionately affected by the adverse impacts of climate change, Bhutan faces significant challenges in mobilizing the necessary resources. In light of this, it is anticipated that a substantial portion of the adaptation financing will need to be mobilized through support from the international community, particularly via international climate finance mechanisms, multilateral development institutions, and bilateral partnerships.

Bhutan continues to face institutional and operational challenges that hinder the effective implementation of climate-related policies and strategies. Limited technical capacity, both in terms of human resources and access to advanced tools and data, restricts the ability to design, implement, and monitor robust climate actions. Fragmented inter-agency coordination and unclear mandates among institutions further complicate efforts to align







policies across sectors and ensure cohesive action. These institutional inefficiencies slow progress on integrating climate considerations into national planning processes and impede the country's ability to deliver on its international transparency and reporting commitments under the Paris Agreement.

In addition, Bhutan grapples with limited climate data infrastructure, which affects the generation and use of evidence for decision-making. The absence of standardized data sharing protocols and a centralized climate information system reduces the effectiveness

of monitoring and evaluation mechanisms. Capacity constraints at sub-national levels, where climate action must often be implemented, also present bottlenecks in translating national strategies into local outcomes.

Addressing these institutional and procedural gaps is essential not only for enabling evidence-based climate action but also for mobilizing climate finance, fostering cross-sectoral collaboration, and enhancing Bhutan's resilience to climate impacts.









The VNR 2021 highlighted key challenges in advancing SDG 17 in Bhutan, including weak inter-agency coordination and the absence of clear guidelines for CSO engagement. Concerns over high fiscal deficits, rising public debt, and limited capacity in innovative financing underscored the need for stronger financing strategies. Gaps in statistical capacity, particularly around the data management and sustainability of surveys and censuses, were also noted. In the digital domain, issues such as low digital literacy, a widening digital divide, cybersecurity risks, and limited ICT infrastructure and expertise were identified.

Bhutan continues to deepen its domestic and international partnerships as a cornerstone of sustainable development and effective SDG implementation. Domestically, the 13<sup>th</sup> FYP prioritises Transformational Governance, aiming to establish a responsive, transparent, and inclusive governance framework. This includes fostering coherent policy development, dismantling siloed approaches, and promoting collaboration across sectors using digital tools and coordinated decision-making. CSOs, local governments (LGs), and the media are recognised as key actors in ensuring programme effectiveness, inclusiveness, and public accountability.

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Internationally, Bhutan is strengthening engagement with both traditional and new development partners. Bhutan established diplomatic relations with Germany and Israel in 2020. The Royal Bhutanese Embassy in Canberra, Australia, was established in 2021. Most recently, Bhutan established diplomatic relations with Saudi Arabia and Lesotho in September and October 2024, respectively. These developments reflect Bhutan's efforts to develop friendly relations with all countries and engage in regional and multilateral cooperative efforts.

Bhutan has also taken a proactive role in global sustainability dialogues. It hosted the Sustainable Finance for Tiger Landscapes Conference in April 2024, mobilising momentum toward a USD 1 billion target by 2034 to support conservation efforts across tiger range countries. Additionally, Bhutan played a leading role in the establishment of the G-Zero Forum of Carbon Negative and Carbon Neutral Countries during COP29 in 2024. The Forum, initiated alongside Madagascar, Panama, and Suriname, aims to amplify the voice and cooperation of carbon-negative and carbon-neutral nations. Bhutan is currently setting up the Forum's Permanent Secretariat.

Further underlining its commitment to inclusive partnerships, Bhutan, in collaboration with the UN, launched Agenda Chikha in November 2024—an initiative focused on empowering persons with disabilities through four strategic pillars: empowering lives, lifting institutional capacity, changing societal mindsets, and building knowledge.

These coordinated efforts showcase Bhutan's integrated approach to partnership—bridging the global and local, the public and private, and ensuring no one is left behind—while reinforcing the centrality of SDG 17 in delivering the 2030 Agenda.

## Financing for SDGs

The Royal Government of Bhutan has remained committed to maintaining a sustainable fiscal path through prudent public spending, better alignment of

expenditure with policies, and innovative financing mechanisms that support macroeconomic stability and long-term growth.

In 2023 - 2024, Bhutan's fiscal position showed marked improvement, with the fiscal deficit narrowing to 0.2% of GDP, a major improvement from 4.7% in the previous year. This positive development can be attributed to austerity measures and fiscal consolidation that were undertaken recently. During the same period, domestic revenue reached 21.0% of GDP, representing a 24.8% increase compared to the previous fiscal year. Tax revenue made up 13.1%, and non-tax revenue 7.9% of GDP<sup>96</sup>. Notably, domestic revenue was sufficient not only to fully cover current expenditures but also 47% of capital expenditures<sup>97</sup>. However, grants from multilateral partners declined by 26.1%<sup>98</sup>.

To enhance fiscal consolidation, several policy and administrative measures are being pursued. The Goods and Services Tax (GST) Act, though passed in 2020 (as reported in VNR 2021), is now expected to be implemented by the end of 2025. Once operational, it is projected to generate approximately Nu. 3 billion in annual revenue<sup>99</sup>, further bolstering Bhutan's fiscal self-reliance. In addition, the Ministry of Finance is developing the Medium-Term Debt Management Strategy (MTDMS), which aims to strengthen the tax base and improve resource mobilisation. To improve administrative efficiency, the Ministry is working on the development of the Electronic Customs Management System (e-CMS), which will enhance tax compliance and streamline customs operations. The Ministry has also issued the "Travel Rules 2024" to ensure effective management of travel expenditures and financial prudence. Furthermore, budget guidelines for FY 2023-24 have been issued to encourage fiscal discipline and avoid wasteful expenditures across all budgetary agencies.

Through a Joint Programme on the Integrated National Financing Framework (INFF) with UN agencies, the groundwork for deploying a diversified

<sup>96</sup> Annual Financial Statement 2023-2024

<sup>97</sup> Ibid

<sup>98</sup> Ibid. Total External Grants (including in-kind) the decline in grants (excluding in-kind) was even higher.

<sup>99</sup> Written contribution from stakeholders



set of financing strategies has been laid out. This includes improvements in budgeting processes, review of the Public-Private Partnership (PPP) Policy, development of a Public Debt Management Policy (2023), and formulation of sector-specific financing strategies such as the RNR Innovative Financing Strategy and the Emergency Health Financing Strategy. Many of these outputs are scheduled for implementation during the 13<sup>th</sup> FYP period<sup>100</sup>.

Furthermore, to ensure fiscal sustainability, the government is also exploring innovative financing sources. The issuance of green and social bonds is under development, with the Sustainable Financing Framework currently in its final stages. To promote climate-friendly investments, the Green Taxonomy was approved in March 2024, and the Bhutan Climate Fund is being established, with plans for seed money injections from potential investors and donors. Additionally, the government is focusing on carbon trading, with efforts underway to develop a carbon database and trading system. PPPs are being explored as a financing model for some programmes under the 13<sup>th</sup> FYP, including projects such as industrial parks, export hubs, and medical diagnostic clinics. Lastly, the government is looking into the possibility of a debt-for-nature swap as an alternative financing option to support environmental conservation initiatives.

### **Science, Technology and Innovation (STI): Driving Bhutan's Digital and Development Agenda**

Bhutan has made significant progress in advancing Information and Communication Technology (ICT), which plays a pivotal role in accelerating the country's progress toward the Sustainable Development Goals (SDGs). With 99% of households owning smartphones and 94% of all households having access to internet services in 2021, Bhutan demonstrates near-universal digital access<sup>101</sup>. Urban areas show particularly high connectivity, with 99.4% of households connected, while 91% of rural households also enjoy internet access.

Despite this strong penetration, digital literacy and inclusion gaps persist, particularly in rural areas. Approximately 66% of rural individuals and 30% in urban areas report lacking the confidence or competence to conduct transactions online. Challenges such as poor internet quality, absence of a user-friendly e-commerce payment system, low digital literacy, and limited awareness of online safety, particularly for children, were highlighted and emphasised the need for comprehensive digital empowerment strategies by the ICT Household Survey 2021.

#### **Key Developments in STI and Digital Transformation include the following:**

The RGoB has allocated Nu. 10 billion in the 13<sup>th</sup> FYP for Digital Transformation, clearly demonstrating the priority set for the sector. In October 2023, Bhutan launched the National Digital Identity (NDI) system - a secure, blockchain-based digital ID platform that enables citizens to access public and private services safely and efficiently. NDI is a critical enabler of inclusive digital public infrastructure, promoting ease of service delivery while upholding privacy and cybersecurity.

Bhutan has also licensed Starlink to operate in the country, providing high-speed satellite connectivity to strengthen connectivity in remote rural areas.

A key transformation in Bhutan is the introduction of the electronic Patient Identity System in all Hospitals and Public Health Centers across the country. This unified platform enables both doctors and patients to access comprehensive patient histories in any health facility across the country.

To build a networked government, Bhutan introduced the Electronic Government Interoperability Framework (e-GIF) and is working on strengthening its Government Enterprise Architecture to provide standardised ICT protocols, enabling various government systems to interoperate efficiently and align IT investments with

<sup>100</sup> Evaluation Report of the Joint Programme, UNDP 2023

<sup>101</sup> ICT Household Survey 2021, MoIC, RGoB





administrative functions. Additionally, the Integrated Business Licensing System enhances backend integration across ministries, with priorities such as the Bhutan Integrated Revenue Management System, which provides a single window for all payments to the government, and the initiative by RMA to strengthen online payments further supports e-commerce platforms.

Bhutan launched its National Cybersecurity Strategy (2024–2029) to bolster cyber resilience. Key objectives include improving incident response, enhancing public awareness, strengthening cybersecurity in the Critical Information Infrastructure and fostering global cooperation. The Bhutan Computer Incident Response Team (BtCIRT) and the GovTech Agency lead the nation's cyber risk management. The establishment of a Cybercrime Unit within the Royal Bhutan Police (RBP) adds enforcement capability, especially to protect children and vulnerable groups under the Information, Communication and Media Act (ICM) 2018 and the Child Care and Protection Act 2011.

Public outreach is an essential part of Bhutan's cybersecurity strategy. The GovTech Agency conducts awareness campaigns on privacy, safety, and online threats across traditional and digital media. Bhutan also takes part in global movements like Safer Internet Day. Civil society organisations, including the Bhutan Media Foundation (BMF), RENEW, and the Bhutan Centre for Media and Democracy (BCMD), complement government efforts through digital literacy and online safety training, especially targeting youth and women.

In a landmark move, the GovTech Agency signed an MoU with Chiba Institute of Technology (CIT), Japan, to collaborate on satellite technology and capacity building. This initiative will equip Bhutanese students with practical knowledge in space technology, positioning the country to contribute to global STI frontiers and expand its space research capabilities.

The 13<sup>th</sup> FYP places digital transformation at the core of Bhutan's development priorities. The government aims to build a resilient digital economy by investing in digital infrastructure, fostering innovation, and strengthening cyber regulations. Planned reforms include robust legislation to govern data and technology use, promote digital entrepreneurship, and ensure inclusive access to digital services. Bhutan's STI initiatives reflect a strategic shift from digital access to digital empowerment, emphasising interoperability, cyber resilience, and innovation.

### **Statistical Development: Enhancing Data for Decision-Making**

Since the VNR 2021, Bhutan has made steady progress in strengthening its national statistical system to support evidence-based policy and SDG monitoring. Key advancements include the development of the Bhutan Statistical Database System, which provides an integrated platform for the collection, management, and dissemination of data related to agriculture, livestock, gewog-level indicators, and SDG statistics. This system enhances data accessibility and promotes coherence across sectors.

To further improve data quality and analytical capacity, significant efforts have been made to build technical expertise in the use of statistical software for data analysis across relevant government agencies. This has strengthened the capacity for evidence-informed policymaking.

Bhutan has also initiated the development of a National Data Governance Framework, which will guide ethical and secure data handling practices across the public sector. Complementing this, Data Management Guidelines have been developed and made available, supporting standardised data procedures across ministries and agencies.

These initiatives mark an important step in Bhutan's commitment to improving statistical capacity and





ensuring that timely, reliable, and disaggregated data are available for SDG implementation and monitoring.

### **Challenges and Areas of Support Required to Accelerate Progress Toward Agenda 2030 Targets on Partnerships for the Goals.**

Bhutan faces several interlinked and systemic challenges in advancing SDG 17, particularly in fostering effective partnerships, mobilising resources, and strengthening data ecosystems. One of the key lessons emerging from the VNR 2025 process is the urgent need for a coordinated national mechanism to enhance collaboration between data producers and users. Persistent gaps in the statistical system, including limited availability of disaggregated data, continue to constrain evidence-based policymaking and monitoring of SDG progress. This is further compounded by the lack of institutionalised channels for data sharing across agencies, underscoring the need for integrated data governance.

Bhutan also faces limited fiscal space for scaling up SDG-related investments. Despite efforts at fiscal consolidation, there are substantial constraints in accessing and utilising innovative financing instruments and building effective public-private partnerships. The capacity to design and implement such financing mechanisms remains nascent, pointing to the need for continued and dedicated technical assistance and knowledge exchange to develop Bhutan's financing architecture in support of the SDGs.

Digital inclusion remains another critical barrier. Although internet access and smartphone penetration are high, digital literacy and inclusion gaps persist, particularly in rural communities. The ICT Household Survey 2021 revealed that approximately 66% of rural individuals and 30% in urban areas lacked the

confidence to carry out basic online transactions. Challenges such as poor internet quality, the absence of a user-friendly e-commerce payment gateway, limited awareness of online safety, especially for children, and low digital literacy highlight the urgent need for comprehensive digital empowerment strategies. Without inclusive and accessible digital systems, Bhutan risks leaving behind key segments of the population in its digital transformation.

Institutionally, inter-agency coordination challenges remain, and cross-sectoral collaboration is still evolving. The engagement of civil society organisations (CSOs) is further hindered by the absence of clear guidelines and structured mechanisms for participation. A more coherent framework is needed to align CSO efforts with national priorities, ensuring that their contributions are effectively integrated into policy and program implementation.

Finally, the enabling environment for private sector partnerships requires strengthening. Many businesses lack both the capacity and incentives to participate in SDG-aligned initiatives. Addressing this will require policy reforms that promote shared value creation, targeted capacity-building programmes, and more transparent regulatory processes to encourage greater private sector engagement in sustainable development.

Collectively, these challenges underscore the importance of stronger institutional frameworks, improved data systems, greater resource mobilisation, and more inclusive stakeholder engagement to accelerate Bhutan's progress towards SDG 17 and, by extension, the entire 2030 Agenda.







# CONCLUSION AND THE WAY FORWARD



Bhutan's progress on the SDGs since the VNR 2021 demonstrates its enduring commitment to inclusive, equitable, and sustainable development guided by the country's development philosophy of GNH. The 13<sup>th</sup> FYP, which embodies Bhutan's localisation of the SDGs, has served as the primary vehicle for translating global commitments into national priorities and action. Notable achievements include the institutionalisation of the SDG framework into national planning processes, a decline in maternal and child mortality rates, significant expansion of primary healthcare services, progress in gender-based violence prevention and advancements in data systems. Moreover, climate action has been prioritised through the formulation of the Long-Term Low Greenhouse Gas Emission and Climate Resilient Development Strategy (LTS), and Bhutan continues to uphold its carbon-negative status. The launch of major strategic initiatives, such as the 21<sup>st</sup> Century Economic Roadmap and Economic Stimulus Plan, also reflects the government's proactive approach in addressing economic vulnerabilities, job creation, and private sector revitalisation.

Despite these positive developments, Bhutan continues to face significant challenges that impede the full realisation of the SDGs. The country's small and resource-constrained economy limits its capacity to invest in critical development sectors. The lingering socio-economic effects of the COVID-19 pandemic, rising youth unemployment, and increased outmigration have exacerbated vulnerabilities. Data

limitations, particularly in the disaggregation of indicators and regularity of reporting, pose challenges to evidence-based decision-making and progress tracking. The impacts of climate change continue to threaten livelihoods and key sectors such as agriculture, infrastructure, and biodiversity, placing additional strain on national resources.

To address these challenges, Bhutan has undertaken several forward-looking initiatives. These include the development of the National Data Governance Framework and Data Management Guidelines, expansion of the digital economy, promotion of green economic initiatives such as the establishment of the Climate Fund and Gelephu Mindfulness City, and reforms in public financial management.

The adoption of a participatory, whole-of-society approach in SDG implementation - engaging government agencies, civil society, private sector, and development partners- has been central to Bhutan's progress. Furthermore, strategic partnerships, particularly with UN agencies and multilateral development institutions, have supported capacity-building, data strengthening, and climate financing efforts.

The 13<sup>th</sup> FYP presents a comprehensive set of strategies and measures to address the multifaceted challenges facing the country. The achievement of its intended outcomes will largely depend on the efficiency of its implementation, the strength





of coordination among domestic and international stakeholders, the scale of resource mobilisation, and the level of continued support from Bhutan's development partners.

Bhutan's transition from LDC status also underscores the need to mobilise new partnerships and innovative financing models while safeguarding gains made through external support.

### **The Way Forward and Areas of Support Needed to Accelerate SDG Progress**

The SDGs are inherently interlinked, and this VNR 2025 reaffirms the interconnected nature of development. The SDGs under in-depth review in this report - SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 13 (Climate Action), and SDG 17 (Partnerships for the Goals) - demonstrate strong synergies that must be acknowledged to accelerate progress. For instance, rising alcohol consumption and substance use disorders, while central to SDG 3, also exacerbate challenges under SDG 5, especially by contributing to violence against women and girls. Similarly, climate change disproportionately affects women, reinforcing the critical gender-differentiated vulnerabilities highlighted under both SDG 5 and SDG 13. On another front, SDG 17 serves as an essential enabler for all other goals, with its focus on enhancing financing, digital infrastructure, and statistical systems acting as foundational drivers for sustainable development. At the same time, economic growth under SDG 8 has far-reaching implications beyond employment and revenue - it directly determines the scale of investment in social sectors such as health and gender equality, and facilitates resilience-building for climate-affected sectors like hydropower and agriculture, which are central to Bhutan's economy. Conversely, achieving SDG 3 contributes to a healthier and more productive workforce, reinforcing economic growth, while climate action under SDG 13 supports long-term economic stability and environmental sustainability.

These interlinkages underscore the need for enhanced policy cohesion and strengthened coordination among all actors - government institutions, private

sector, civil society, and development partners - working toward a common vision of inclusive and sustainable development. Each stakeholder has a distinct role, but together, through an integrated and collaborative approach, the goals of Agenda 2030 can be more effectively realised.

Looking ahead, Bhutan recognises the need to further consolidate and scale up its efforts to accelerate SDG progress over the remaining years of the 2030 Agenda. Strengthening institutional coordination will be essential to ensuring cohesive action across government and non-governmental entities. This includes enhancing the roles of local governments and sectoral agencies in SDG implementation, supported by stronger vertical and horizontal coordination mechanisms. In addition to scaled-up national efforts, Bhutan underscores the need for continued international support in the following areas:

#### **i. Accelerate implementation of the 13<sup>th</sup> FYP and Bhutan 21<sup>st</sup> century Economic Roadmap:**

To accelerate progress on the SDGs, Bhutan must prioritise the efficient and timely implementation of its 13<sup>th</sup> FYP and Bhutan 21<sup>st</sup> century Economic Roadmap. These are not only a strategic development blueprint but also Bhutan's principal vehicle for economic recovery, green transformation, and inclusive growth. Implementation must be pursued with urgency and coordination across all levels of government. Key national programmes, such as the Economic Transformation Programme, the 21st Century Skilling Programme, and the Ecological Resilience Programme, must be fully operationalised with clear delivery mechanisms. Strengthening institutional coordination, results-based monitoring, and local government capacities will be essential to ensure effective implementation, while avoiding fragmentation and delays.

#### **ii. Enhance Domestic Resource Mobilisation and SDG Financing:**

In parallel, Bhutan must enhance domestic resource mobilisation and SDG financing to ensure the long-term sustainability of its development efforts. The gradual decline in official development



assistance necessitates innovative financing approaches. Bhutan has taken commendable steps by developing a Green Taxonomy and is in the process of finalising a Sustainable Financing Framework to support the issuance of green and social bonds. The outcomes of the Integrated National Financing Framework (INFF) initiative must now be institutionalised through reforms in public finance management, domestic revenue generation, and debt management. Exploring debt swaps, improving tax compliance, and fostering blended finance mechanisms will be critical to bridging the resource gap.

**iii. Strengthen Health Systems and Address NCDs and Mental Health:**

A strengthened and inclusive health system remains key to advancing SDG 3, particularly in addressing the rising burden of non-communicable diseases (NCDs) and mental health conditions. Investment in health infrastructure, human resources, and digital health systems must continue, along with integration of outreach services for hard-to-reach populations. Ensuring sustainable financing for essential health services is also imperative. To sustain and improve immunisation coverage - crucial for both communicable and non-communicable disease prevention - greater investment is essential, particularly in operational aspects such as the mobility of health workers. In the absence of continued efforts/investment in primary health care, there is a risk that the success trend seen in healthcare could be reversed in the future.

Furthermore, in addition to multi-sectoral collaboration, there is a pressing need for Bhutan to review and strengthen its fiscal policies, particularly taxation measures on imported and unhealthy consumable items that contribute to the rise in Non-Communicable Diseases (NCDs). Likewise, there is a need to revisit and strengthen legislative frameworks on Tobacco and Alcohol Control, given their long-term health implications in the country.

**iv. Foster Gender-Responsive Policies and Data Systems:**

Advancing gender equality

requires deepening gender-responsive policies and closing persistent data gaps. While Bhutan has made significant progress, gender disparities remain, particularly in employment, leadership, and unpaid care work. Mainstreaming gender into planning, budgeting, and policy implementation must be deepened. Strengthening the generation and use of sex-disaggregated data across all sectors will enhance evidence-based decision-making and support targeted interventions. The LNOB results provided in this report indicate the need for tailored education policies to close existing gaps, particularly in higher education. Lifelong learning opportunities can support literacy as well as digital and financial inclusion, especially among older women. Coordination with civil society organisations and grassroots actors will be vital to ensure the inclusive delivery of services and the protection of vulnerable groups.

**v. Boost Employment and Tackle Youth Migration:**

Addressing rising youth unemployment, especially in urban areas, and outmigration will demand structural reforms in the labour market and education system. While the tertiary and technical education systems are aligning with the needs of emerging sectors, entrepreneurship support should be expanded, particularly for women, youth, and persons with disabilities, through improved access to finance, mentorship, and skills training. Labour market intelligence systems and job matching platforms must be developed to enhance efficiency and reduce the mismatch between supply and demand in the labour market. Creating an enabling environment for decent work and sustainable livelihoods is critical to reversing the trend of youth migration and realising the demographic dividend.

**vi. Invest in Climate Action and Resilience:**

On climate action, Bhutan must continue its leadership by scaling up the implementation of its National Adaptation Plan and Long-Term Low Emission Development Strategy (LTS). These strategic frameworks must be translated into





actionable district and sector-level programmes, with priority given to localising adaptation through pilots such as the LIFE-AR initiative. Strengthening national capacity to access and manage climate finance, establishing transparent tracking systems for climate investments, and developing a comprehensive Monitoring, Reporting and Verification (MRV) system will be essential to monitor progress and maintain credibility under international climate frameworks.

However, given the scale of financing required to implement the adaptation measures as reflected in Bhutan's LTS 2023, (USD 2.1 billion by 2030 and USD 3.2 billion by 2050), it is anticipated that a substantial portion of the adaptation financing will need to be mobilized through support from the international community, particularly via international climate finance mechanisms, multilateral development institutions, and bilateral partnerships. As a carbon-negative country with minimal historical responsibility for global greenhouse gas emissions yet disproportionately affected by the adverse impacts of climate change, Bhutan faces significant challenges in mobilising the necessary resources.

- vii. Promote Multistakeholder Partnerships and Innovation:** Bhutan must continue to foster inclusive, multi-stakeholder partnerships to support national development efforts. Public-private partnerships and civil society engagement must be strengthened by creating enabling legal frameworks and collaborative platforms. Towards this, operationalisation of the Business Regulatory Process Review report is imperative. The country's digital transformation efforts must be sustained and scaled, particularly in e-governance, cybersecurity, and emerging technology applications. International cooperation must be deepened through diplomatic outreach, multilateral engagement, and regional integration, as exemplified by Bhutan's recent free trade agreements and

establishment of new diplomatic ties. Further investment in national statistical systems and data governance frameworks will also support more effective policymaking and reporting on the SDGs.

- viii. Strengthen SDG Data Coordination:** The VNR process has revealed persistent data gaps and coordination challenges, highlighting the urgent need for a national mechanism to strengthen collaboration between data producers and users. This mechanism should guide the development and use of SDG indicators, align with indicators used in national planning and sectoral strategies, and be supported by streamlined systems for data sharing and access.

Furthermore, Bhutan proposed several proxy indicators—referred to as National Equivalent Indicators (NEIs)—to address challenges related to the applicability and data availability of certain global SDG indicators. These proxy indicators were developed to better reflect the national context and enable more accurate tracking of progress. However, a lack of feedback or validation limits clarity on the international acceptability of these indicators. Strengthening coordination between the national statistical systems and the UN system remains essential to ensure alignment, validation, and mutual recognition of national efforts in SDG monitoring.

The findings of VNR 2025 present a valuable opportunity to engage with key stakeholders, including the media, development partners, civil society, and the private sector, to build momentum for accelerated SDG implementation. Effectively communicating the results will not only raise public awareness about the country's progress and challenges but also foster greater transparency and accountability. Targeted communication of the VNR outcomes can catalyse dialogue, encourage collective action, and mobilise broader support - both technical and financial - for achieving the 2030 Agenda.





## Areas of Support Needed

To sustain and accelerate SDG progress, Bhutan underscores the need for continued international support in the following areas:

- ❖ **Climate finance and adaptation support**, in line with Bhutan's carbon-negative status and the scale of financing needs outlined in its Long-Term Low Emission Development Strategy (LTS).
- ❖ **Capacity building for innovative financing**, including debt swaps, carbon markets, and green and social bond issuance.
- ❖ **Continued access to development finance and concessional assistance**, especially during the post-LDC transition period.
- ❖ **Technical assistance and partnerships** for digital transformation, cybersecurity, disaster risk reduction and resilience, and innovation ecosystems.
- ❖ **Support for data systems and statistical capacity** to ensure timely, disaggregated, and policy-relevant data.







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# ANNEXES

# 9

## **Annex 1: List of stakeholders consulted**

### **Government Agencies, Autonomous Agencies and Constitutional Agencies**

1. Ministry of Education and Skills Development (MoESD)
2. Ministry of Agriculture and Livestock (MoAL)
3. Ministry of Energy and Natural Resources (MoENR)
4. Ministry of Infrastructure and Transport (MoIT)
5. Ministry of Foreign Affairs and External Trade (MoFAET)
6. Ministry of Industry, Commerce and Employment (MoICE)
7. Ministry of Health (MoH)
8. Ministry of Home Affairs (MoHA)
9. Ministry of Finance (MoF)
10. GovTech Agency
11. Druk Holdings and Investment (DHI)
12. Royal Civil Service Commission (RCSC)
13. Royal Monetary Authority (RMA)
14. National Statistics Bureau (NSB)
15. The Pema Secretariat

### **Civil Society Organisations and Non-governmental Organisations**

1. CSO Authority
2. The Pema Secretariat
3. Bhutan Associate of Women Entrepreneurs (BAOWE)
4. RENEW Bhutan
5. Greener Way





6. Green Bhutan
7. Bhutan Kidney Foundation
8. Bhutan Stroke Foundation
9. Ability Bhutan Society
10. Tarayana Foundation
11. Bhutan Trust Fund for Environment Conservation (BT FEC)
12. Royal Society for Protection of Nature (RSPN)
13. Y-Peer (Youth Group)

### **Development partners**

1. UNDP Bhutan
2. UNICEF Bhutan
3. UNFPA Bhutan
4. WHO Bhutan
5. ESCAP, Bangkok
6. WFP Bhutan
7. ADB, Bhutan Resident Office
8. World Bank Country Office
9. FAO country office

### **Financial Institutions**

1. Bhutan National Bank (BNB)
2. Bhutan Development Bank Limited (BDBL)

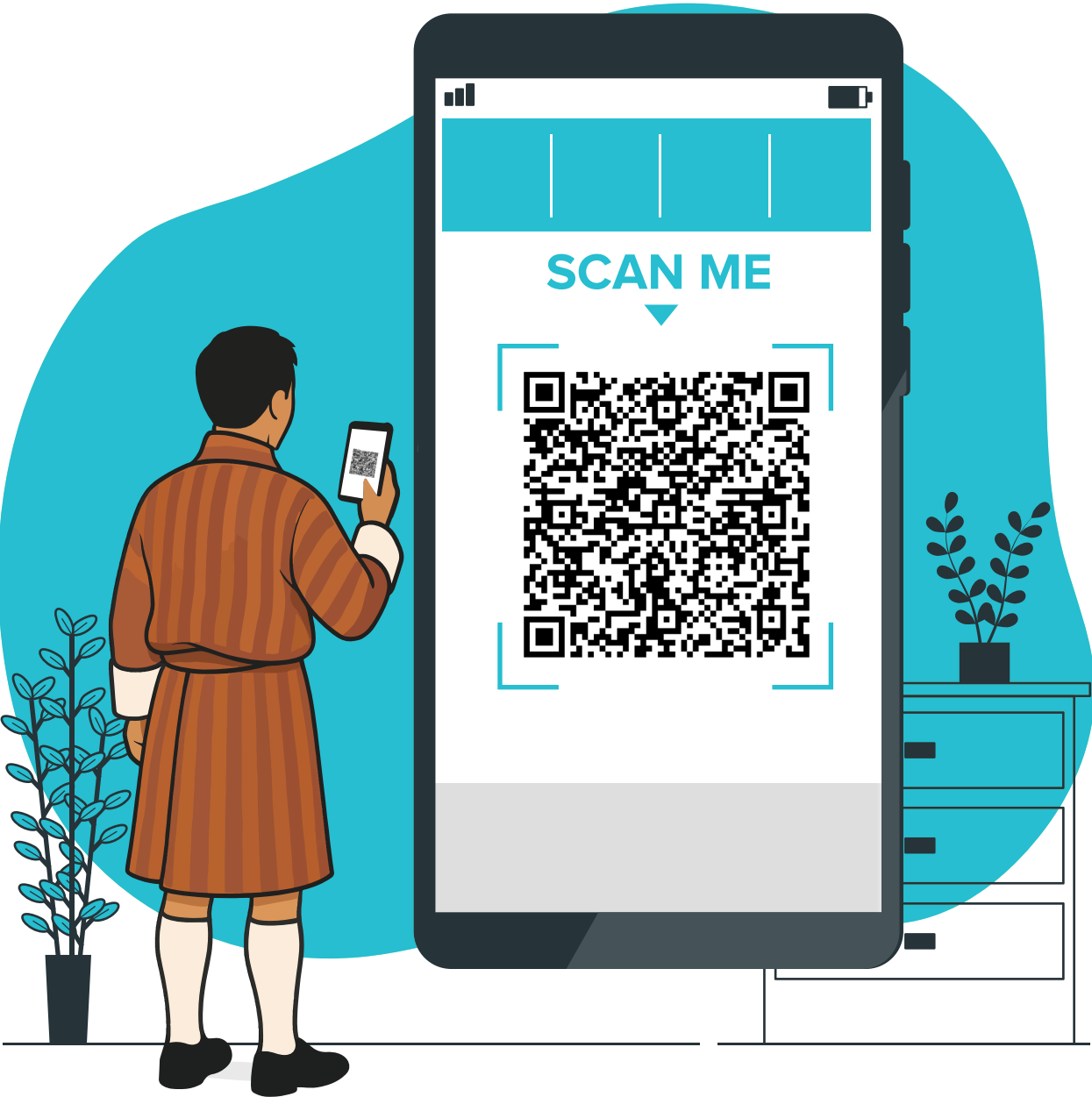
### **Private Sector**

1. Bhutan Chamber of Commerce and Industry (BCCI)
2. Greenerway





Annex 2: Statistical Data Summary



Scan the QR code or click on the graphic to access the Statistical Data Summary



