



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

MISSION REPORT SUMMARY

Submitted by:		
Name: Hamid Rashid	Date: 27 June 2012	
Division: DPAD/OD		
<p>Visit: Indicate name and venue of meeting(s), project(s), etc.</p> <ul style="list-style-type: none"> - High-level Economic Forum on “<i>Ensuring a Development-oriented Macroeconomic Policy Framework for the 11th Five Year Plan: Challenges, Opportunities and Policy Options</i>” in Thimpu on 28-29 May 2012, jointly organized by the Gross National Happiness Commission (GNHC) of the Royal Government of Bhutan, UN Department for Economic and Social Affairs (UN-DESA) and UNDP-Bhutan. - Meetings with the General Economic Division (GED) of the Bangladesh Planning Commission, the Ministry of Environment and Forest and UNDP, Bangladesh on 30-31 May 2012 - Seminar on “Economic Modeling”, organized by Bangladesh Bank (central bank) on 31 May 2012 - Follow-up mission to Thimpu, Bhutan to provide policy advice and capacity development support to the Royal Government of Bhutan, 5-22 June 2012 		
Mission Dates	Travel itinerary (Country)	
Thimpu, Bhutan	From: 26/05/2012	To: 30/05/2012
Dhaka, Bangladesh	From: 30/05/2012	To: 04/06/2012
Thimpu, Bhutan	From: 05/06/2012	To: 22/06/2012
<p>Purpose of mission:</p> <ul style="list-style-type: none"> - To organize and participate at the high level Economic Forum <i>Ensuring a Development-oriented Macroeconomic Policy Framework for the 11th Five Year Plan: Challenges, Opportunities and Policy Options</i> in Thimpu on 28-29 May 2012, where I presented the background paper, “Understanding the Rupee Shortfall: A Macroeconomic Policy Challenge for Bhutan and the Way Forward” (copy enclosed). - To accompany Dr. Rob Vos, Director, DPAD and also participate in the consultations with the Bangladesh Bank, the Ministry of Environment and Forest and the National Planning Commission, assessing the capacity development needs for economic modeling and forecasting. - To follow up on the outcome of the High-level Economic Forum and provide specific policy advisory support to the Royal Government of Bhutan on formulation of the 11th Five Year Plan 		
<p>Brief Summary of work accomplished:</p> <p>As part of on-going collaboration between UNDESA and the Royal Government of Bhutan under Development Account Project AB on “Strengthening capacity of national policy makers to design and implement National Development Strategies for accelerating structural transformation and achieving sustainable development”, DPAD is providing technical assistance and policy advisory support to the Royal Government of Bhutan. Against the backdrop of a ballooning current account deficit and a potential economic crisis, the Royal Government and DESA/DPAD jointly organised a high-level Economic Forum in Thimpu on 28-29 May 2012 to examine the underlying causes of the problem and identify policy options to address the challenges. Dr. Rob Vos, Director, DPAD and the Finance Minister of Bhutan made opening statements while I presented a paper on the Rupee shortfall and Prof. Joseph Stiglitz, invited by DPAD, commented on the paper and presented a keynote address at the Forum. Participants of the forum included the Prime Minister, Cabinet Ministers, policy makers from government agencies, and representatives of parliament and the private sector. The Forum was a great success and the Hon’ble Prime Minister of Bhutan wrote a letter to the Under Secretary General of UN-DESA conveying his deep appreciation for DESA’s capacity development support to the Royal Government of Bhutan.</p>		

I accompanied Dr. Vos to Dhaka, Bangladesh and participated in the high level meetings with the Minister of Environment and Forest, the Governor, Bangladesh Bank, Member, Bangladesh Planning Commission and the UN Resident Coordinator in Bangladesh. At the meetings, Bangladesh officials expressed keen interests in receiving UN-DESA support for developing capacities for economy-wide modeling. The Planning Commission would act as central counterpart agency for preparing the National Plan and hence also for developing the modelling capacity. NPC does not have modelling expertise at the moment. More modelling expertise is available at the central bank, which wishes to act both as a central and a development bank and is very keen on being directly involved.

Dr. Vos assured that DPAD would engage with the Bangladesh Government to develop CGE models, particularly to identify the policy options for low carbon growth and sustainable development. Dr. Vos was the keynote speaker at a seminar on economic modeling organized by Bangladesh Bank. He made a presentation on “Strengthening Analytical Capacity for Macroeconomic, Environmental and Social Policy Coherence” where he discussed about UNDESA’s capacity development activities and assured to extend support for building modeling capacity for sustainable development in Bangladesh.

From Dhaka, I returned to Thimpu, Bhutan for an extended mission to follow up on the outcomes of the High Level Economic Forum and also to provide specific policy advice on the draft of the 11th Five Year Plan. I held separate meetings with the Prime Minister, Minister of Finance and the Agriculture Minister as well as with a number of Permanent Secretaries and senior officials of the Government. As the Government accepted the recommendation of the Economic Forum to explore the feasibility of a stabilization fund, I assisted to develop a terms of reference for a High Level Committee and met with the members of the Committee. I also spent considerable amount of time reviewing the draft sectoral proposals of the 11th plan and gave specific inputs which GNHC incorporated. I also held separate training sessions on policy analysis and assessed the capacity development needs for economic modelling in Bhutan.

Recommendation(s)/Action to be taken:

- Provide technical and operational support to the High-level committee of the Royal Government of Bhutan in assessing the feasibility of a stabilization fund
- Continue to provide policy advice and capacity development support to the Gross National Happiness Commission (GNHC) of Bhutan to formulate and finalize the 11th five year plan. A follow-up mission to Bhutan is envisaged during the last quarter of 2012 or the first quarter of 2013
- Identify and deploy an expert/consultant to assist the Government of Bhutan to develop modeling capacities
- Engage with the Bangladesh Planning Commission to roll out a capacity development project on low carbon/sustainable development modeling framework

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Travel Report Summaries shall be prepared within three days after completion of mission.