



**COUNCIL OF  
THE EUROPEAN UNION**



Brussels, 14 November 2006  
15290/06 (Presse 325)

**Press Release  
EU Troika Visit to Bhutan  
Thimphu, 14 November 2006**

A European Union (EU) Troika visited Thimphu from 13 to 14 November 2006. This was the first ever visit to Bhutan by an EU Troika. It coincided with the fortieth anniversary of diplomatic relations between the EU and Bhutan, which were established in November 1966.

The Troika carried a mandate to speak on behalf of all 25 Member States of the EU.

During the course of its visit the Troika met with the following:

- Lyonpo Khandu Wangchuk, Prime Minister and Minister for Foreign Affairs
- Lyonpo Wangdi Norbu, Minister of Finance

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- Lyonpo Yeshey Zimba, Minister for Trade & Industry
- Sonam Wangchuk, Director General of the Department of Aid & Debt Management
- Lyonpo Sonam Tobgye, Chief Justice of the High Court
- Aum Neten Zangmo, Chairperson of the Anti-Corruption Commission
- Dasho Kunzang Wangdi, Chief Election Commissioner
- Representatives of the media and the civil society
- Representatives of the international community resident in Bhutan

The EU welcomes its good relations with Bhutan, and is committed to the continuation of its bilateral cooperation over the long term. The European Community has provided some Euro 80 million in assistance to Bhutan since 1982, and will continue to provide support over the next financial cycle (2007-13) and beyond. The EU welcomes the decision of Bhutan to establish a representative office in Brussels, and looks forward to developing enhanced working contacts.

The EU supports the process of democratisation in Bhutan, set in motion through the policies of His Majesty King Jigme Singye Wangchuk. The EU welcomes the far-sighted decision to provide a long-term legal basis for the separation of powers in Bhutan through a written Constitution. It particularly welcomes the priority given to good governance by the draft Constitution, not least through targeted measures to promote the rule of law and address corruption. The Constitution should also provide a guarantee of Bhutan's ethnic and linguistic diversity. The EU looks forward to a peaceful and orderly transition of power through the general elections scheduled to take place in 2008. The EU will continue to follow preparations for this important event, including the emergence of political parties.

Civil society and the media have a crucial role to play in Bhutan's democratisation process. The EU follows these developments with interest and stands ready to provide support.

Bhutan is classified as a Least Developed Country (LDC). Hydropower is expected to substantially contribute to the country's resource base. However, to achieve a growth projection of 7-9 percent, efficient and reliable infrastructure services, sound macro-economic policies and a strong domestic revenue base will be required.

WTO accession is a great development opportunity for Bhutan. It requires a comprehensive review and possibly reform of trade policy. The EU, although a marginal trading partner of Bhutan, supports its application for WTO and its aim to attain full membership in summer 2008. The EU is ready to help Bhutan by providing trade-related assistance, including in the context of the Integrated Framework for the Trade Related Technical Assistance for LDCs.

According to a recent assessment of Bhutan's progress with its Millennium Development Goals (MDGs), the country is on target to meet the majority of MDGs. EU cooperation, among others, will help Bhutan in facing environmental problems and disaster management.

The problem of refugees from Bhutan living in Nepal has been outstanding between the two countries since the early 1990s. The EU has strongly emphasised to the Government of Bhutan the high importance of engaging on this issue with Nepal. The EU encourages Bhutan to make every effort at mutual understanding in the ministerial talks due to be held in Thimphu on 21 November 2006. The EU also urges Bhutan to engage effectively with the international Core Group on the refugee issue (Denmark, the Netherlands, Norway, Australia, New Zealand, Canada and the US). The EU fully supports the goal of this group, which is to contribute to finding a durable, comprehensive solution to the main issues facing the refugees.

The EU looks forward to developing its cooperation with Bhutan in international fora, such as the United Nations and its associated bodies. To this end, the EU urges Bhutan to make all possible progress towards signature of the ICCPR (International Convention for Civil and Political Rights) and the ICESCR (International Covenant on Economic, Social and Cultural Rights). This would be consistent with moves within Bhutan to ensure respect for fundamental human rights and freedoms.

The EU supports the participation of Bhutan in regional cooperation initiatives, and welcomes the perspective of strengthening its cooperation with Bhutan in the framework of the South Asian Association for Regional Cooperation (SAARC). The EU's application for observer status in SAARC was accepted at the 27<sup>th</sup> Ministerial Council, which was held in Dhaka on 1-2 August 2006. The EU fully supports SAARC, and the associated South Asian Free Trade Agreement (SAFTA), as important for the integration of Bhutan and its neighbours. The EU also supports Bhutanese membership of BIMST-EC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic cooperation).

The Troika was led by Mr Pekka Metso, Director for Asia and Oceania in the Ministry for Foreign Affairs of Finland, representing the Presidency of the EU. The European Commission was represented by Ms Rensje Teerink, Acting Head of Unit for India, Nepal & Bhutan. The incoming German Presidency of the EU was represented by Mr Thomas Wriessnig, Head of the Division South Asia. The EU's High Representative for Common Foreign and Security Policy was represented by Mr Michael Swann, South Asia Desk Officer at the General Secretariat of the Council of the EU.