



Bhutan Trust Fund
for Environmental Conservation

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Annual Report

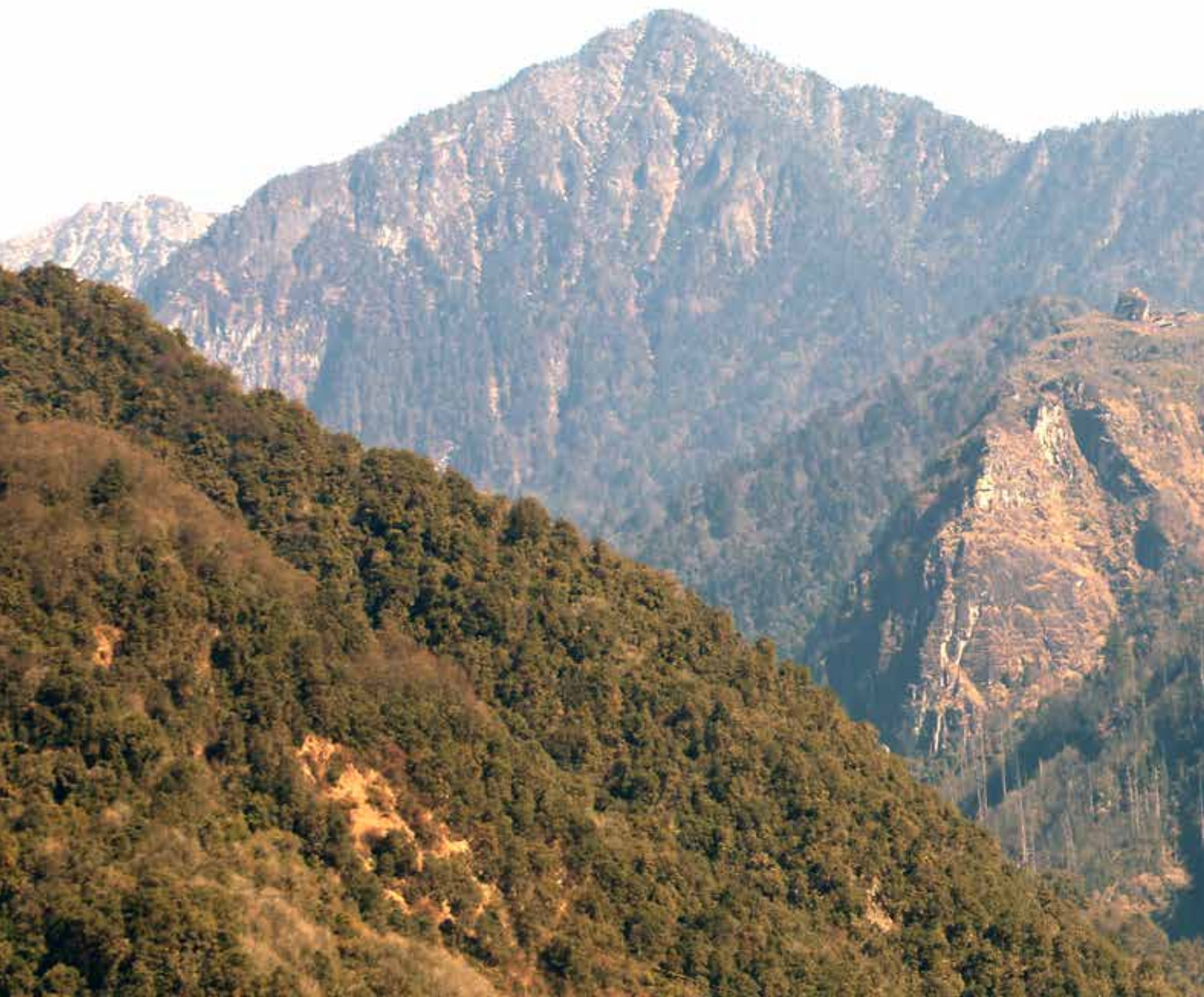
2018-2019

OUR MISSION

To promote the socio-economic welfare of Bhutanese citizens by funding conservation of their flora, fauna, diverse ecosystem and biodiversity; and addressing the adverse effects of development on Bhutan's natural environment

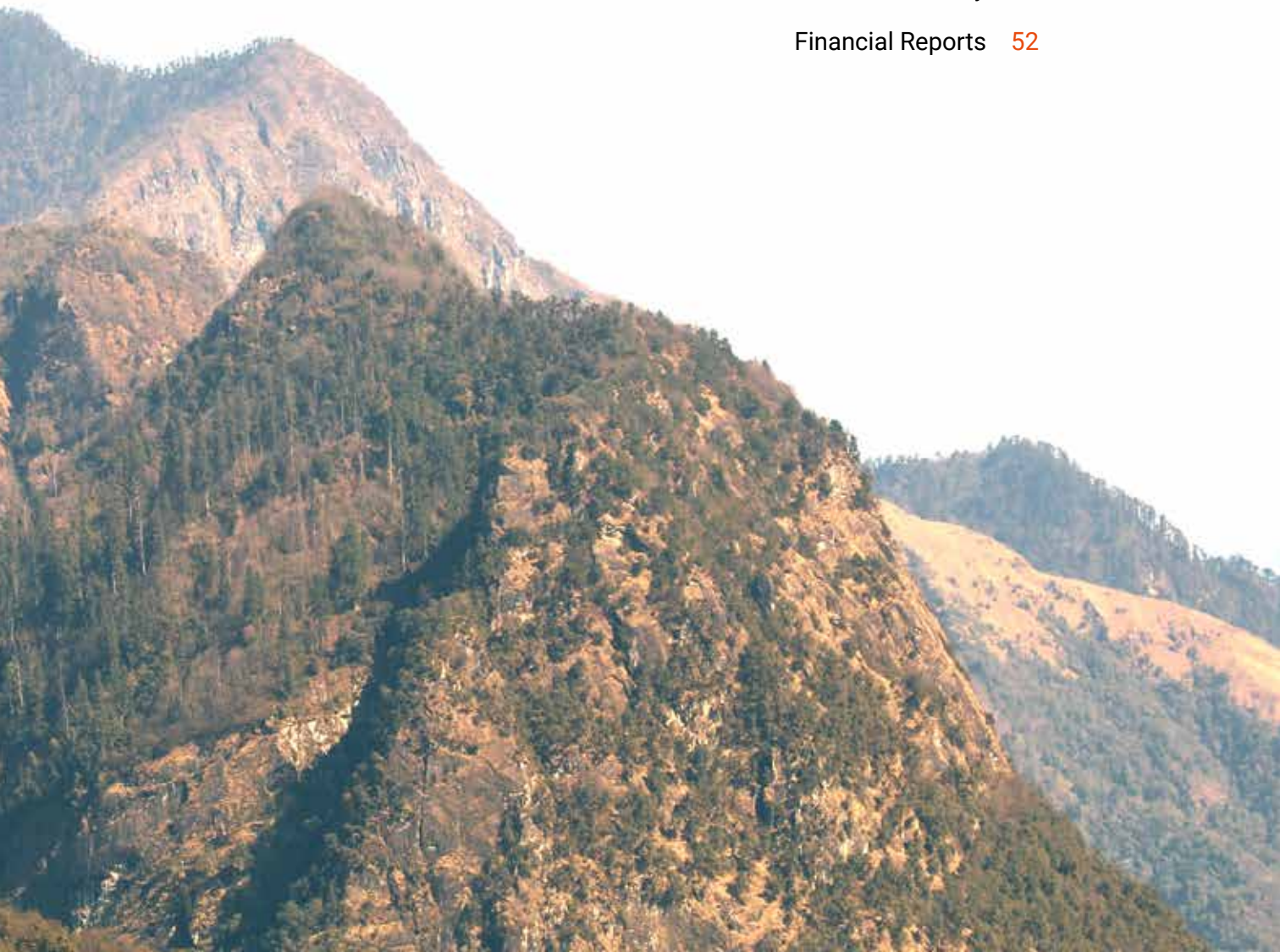
OUR VISION

All citizens champion their natural heritage of healthy forests, clean waterways, diverse flora and fauna and intact ecosystems and takes personal responsibility for maintaining a green and healthy environment for themselves and future generation



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Message from the Chairperson



It is a privilege to be associated with a pioneering organization created under the visionary leadership of His Majesty The Fourth Druk Gyalpo Jigme Singye Wangchuck. Since its establishment in 1992, the Bhutan Trust Fund for Environmental Conservation (BT FEC) has played a central role in providing sustainable financing for conservation of environment and biodiversity in Bhutan. As BT FEC has been successfully promulgating innovative financing mechanism modality and playing a leadership role in supporting biodiversity conservation, it has been widely referred as best practices for setting up of similar trust funds around the world.

Twenty-six years since inception, the impact of our interventions on Bhutan's natural environment has been significant. BT FEC support contributed to remarkable progress with creation of a system of protected areas, training of Bhutanese individuals, strengthening existing and launching new institutions, and carrying out research. Disciplined investment management and opportune decisions guided the growth of the original Trust Fund capital, which increased, from US\$20.3 million in 1992-97 to more than US\$71.56 million as of 30 June 2019, and allowed over US\$24 million in grants to be distributed in support of pressing conservation needs.

The Third Strategy Plan (2015-2020) is designed to fulfil BT FEC's mission to serve our society by funding appropriate environmental projects and preserve Bhutan's natural environment for local and global benefit. The Plan highlights an immediate and increased need for meaningful engagement in conservation by rural populations, civil societies, local government, academia and the private sectors. BT FEC also believes that the cooperation of other institutions working on the same or similar conservation challenges will magnify the impacts of BT FEC funding.

As we approach 2020, we are, of course, still a long way from achieving the outcomes we seek. Success will require more hard work and a redoubling of our commitment to service and collaboration in the spirit and the values of our Bhutanese community. I heartily commend the staff and project-implementing partners who have helped bring this year's success, and humbly thank the management board, members of committees, the secretariat, donors and patrons for their support.

TASHI DELEK

Director's Desk



I would like to take this opportunity to reflect on where Bhutan Trust Fund for Environmental Conservation has been in the last one year. Before I do so, I would like to thank the Management Board for its constant guidance and support. I also would like to thank the BTFEC staff and our project partners for ensuring that our investments were secured, grant projects implemented well, and the secretariat ran without any glitches.

Now, looking back at the fiscal 2018-19, it was a year where we managed to achieve historic heights in terms of capital gain from our investment as well as number of grant-making. We had reorganized and adopted our Program Operational Norms which is relevant to present situation. The IT backbone is now being strengthened and consolidated with additional features on our Integrated Information System Management. Our proposal and reporting templates were simplified as suggested by our stakeholders during workshops and meeting.

The highlights of the program were that, World Bank/GEF funded High Altitude Northern Areas (HANAs) project was successfully completed. The project implementation completion report of the project was undertaken by an international consultant and graded the project 'satisfactory'. Similarly, Climate Investment Fund supported project undertaken to study sustainable land management in Bhutan too culminated with major recommendation that the policy makers can incorporate in government plans and policies. Four Management-approved Grants project commenced implementation from July 2018. Through 2019/20, eight such projects were approved which begins its implementation from July 2019.

On the Financial highlights, the BTFEC has made a total revenue of USD 6,304,545 during the FY 2018-

19 showing 93% increase compared to FY 2017-18. There is a downfall in the total expenditure for the FY 2018-19 by USD 395,130 from FY 2017-18 bringing it down to USD 1,595,229. The financial position of the Secretariat as of 30 June 2019 at cost was USD 57,674,195 showing an increase by USD 4,198,053 from end of FY 2017-18. The auditors have issued unqualified audit report for 2018/19. The BTFEC has also now fully adopted Bhutan Accounting Standard (BAS) for the preparation of financial statements.

On the Human Resource front, maximum of our employees attended ex-country capacity development training in relevant fields. These trainings, availed by our staff, has enhanced their knowledge and the BTFEC team spirit is at its highest.

Once more, on behalf of the BTFEC Secretariat, I would like to express our sincere gratitude to the Management Board for their unconditional support at all times. We would like to put on record the BTFEC's appreciation to all the grantees and project implementing partners for their support and successfully implementing the grants. I would also like to thank all the employees for their dedication and hard work. I hope each one of you will carry on with the same vigilance and dedication to take forward BTFEC in realizing its mandate as spelled out in the Royal Charter: "promotion of social welfare through environmental conservation of the forests, flora, fauna, wildlife, diverse ecosystems and biodiversity in Bhutan".

TASHI DELEK!

BT FEC at a Glance

HISTORY

In the early 1990s, under the farsighted leadership of His Majesty the Fourth Druk Gyalpo, the Royal Government of Bhutan recognized the serious financial, institutional and human resource constraints in implementing conservation programmes. The Bhutan Trust Fund for Environmental Conservation (BT FEC) was, thus, established in 1992 in an effort to secure a mechanism for sustainable financing to preserve the country's rich biodiversity. The Trust Fund was legally incorporated by means of a Royal Charter in 1996.

It was the visionary institution that has paved way to establish more than 60 similar trust funds in Asia and Oceania, Latin American and the Caribbean, Africa and Central Europe. Twenty-six years later, new Conservation Trust Funds (CTF) and Environmental Trust Funds (EF) are still being created, while the early generation institutions are evolving to meet the ever-changing challenges.

Following BT FEC's initial capitalization, the Management Board developed and approved the first Strategy and Action Plan in 1997. With BT FEC financing of more than US\$7 million in grants, the government succeeded to establish a new Protected Area system of five national parks, four wildlife sanctuaries and one nature reserve.

It also led to improvements in administration, financial management, fund raising capacity as well as its grant funding processes. While the government had been successful with the support of BT FEC, in strengthening the Protected Areas network, the socio-economic development needs of a modernizing and growing population, meant that approximately ten years after its first grants were made BT FEC faced an even greater challenge and needed to gain authority as a strong and reliable sustainable financing institution for conservation.

In light of the above, BT FEC reinstated its Strategy Plan – called the Strategy Plan II 2010-2015. The Plan covered seven programme areas: (i) establishing baseline and critical research on biodiversity; (ii) economic development issues with direct impact on the natural environment; (iii) climate change strategies; (iv) awareness and education; (v) green sector proposals focusing on multi-stakeholder collaboration, key emerging issues and consolidation of past BT FEC grants in the PA network; (vi) rural/community projects; and (vii) integrated water resource management. The Plan's focus on these key areas provided a comprehensive strategic vision for investment while maintaining flexibility to address a large range of environmental issues.

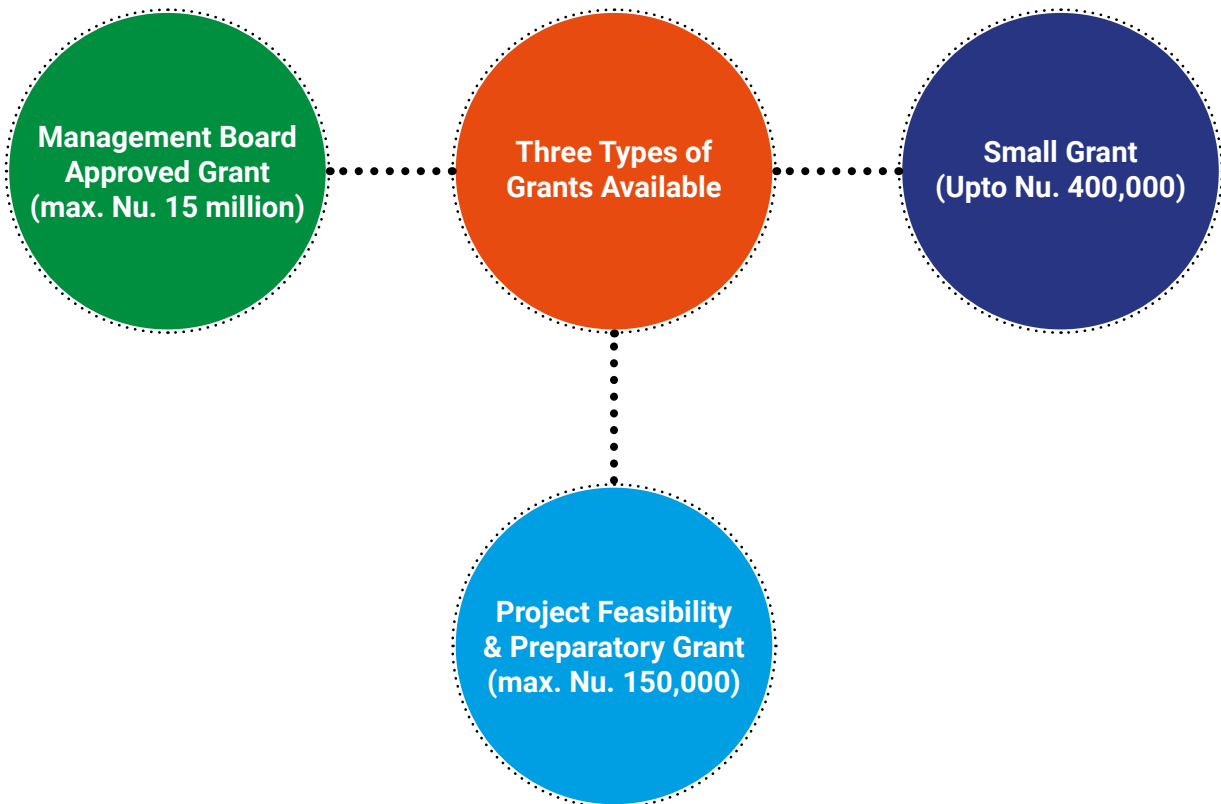


Figure 1: BT FEC Grant Types

Rapid population growth, pressures for economic development and the effects of climate change caused a new set of challenges to emerge in the early 21st century. A new Strategy Plan for the period 2015-2020 was prepared to continue pursuit of the goals of the 1996 Royal Charter while adapting funding priorities to the changing situation. Strategy Plan III presents an opportunity to develop a clear and focused programme to fund critical conservation challenges and engage additional partners. Through Strategy Plan III, BT FEC has been addressing critical environmental issues with effective utilisation of resources. The Strategy Plan III highlights: (i) Biodiversity Protection and Improved Rural Livelihoods, including themes on Human Wildlife Conflict; Agriculture and Animal Husbandry Impact on Biodiversity; and Infrastructure Development in

Sensitive Environments; (ii) Sustainable Forest Management; (iii) Sustainable Water Sources for Agriculture and Consumption; and (iv) Solid and Liquid Waste and Industrial Pollution. An Action Plan for implementing Strategy Plan III sets out a performance-based framework for monitoring a clear and focused grant program and expansion of the role of the BT FEC in the conservation community.

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Sensitive Environments; (ii) Sustainable Forest Management; (iii) Sustainable Water Sources for Agriculture and Consumption; and (iv) Solid and Liquid Waste and Industrial Pollution. An Action Plan for implementing Strategy Plan III sets out a performance-based framework for monitoring a clear and focused grant program and expansion of the role of the BTFEC in the conservation community.

The initial capitalization of the BTFEC took place during the period 1992/93 to 1996/97 and raised US\$20.3 million equivalent. The government sought financial support from the Global Environment Facility (GEF), US\$10 million administered by World Bank, and other bilateral donors US\$10 million, through World Wide Fund for Nature to capitalize BTFEC.

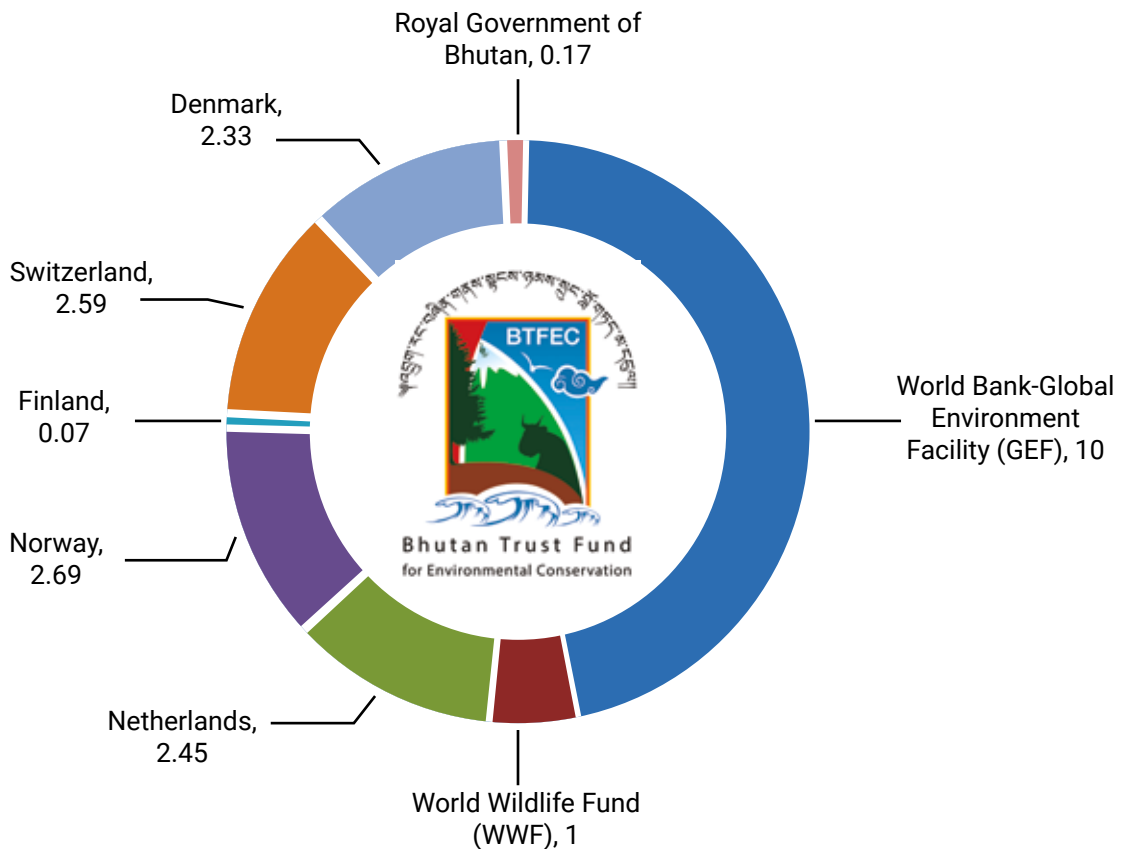
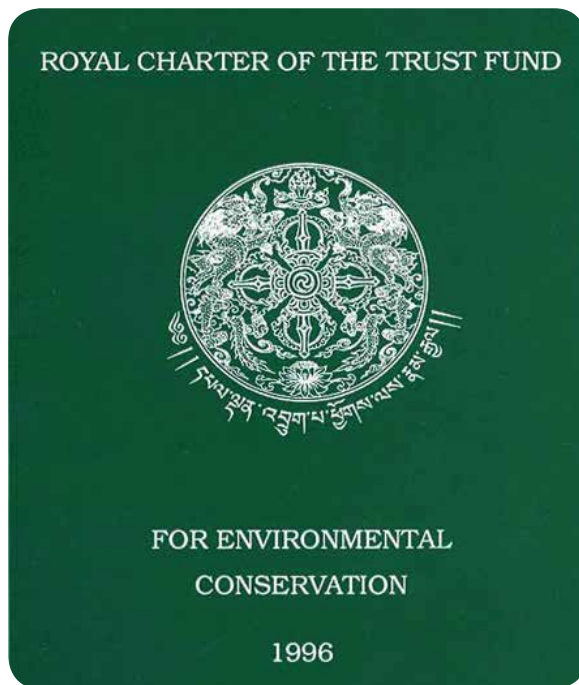


Figure 2: Initial Capitalization (in million US\$)

The purpose for creating the BTFEC is clearly spelled out in the preamble of its Royal Charter:



“Whereas the Kingdom of Bhutan desiring to protect its pristine natural environment and the abundant biodiversity for the Bhutanese people and mankind at large has willed and desired to establish a Trust Fund for the conservation of environment and biodiversity”

It was created as a sustainable financing mechanism for environmental conservation in Bhutan. BTFEC has initially funded and assisted to establish almost all of the 10 protected areas in the country, and recruited more than 140 technical staff that were later formalized into the government’s recruitment system. Similarly, it supported the human resources development of more than 600 Bhutanese in conservation arenas through short and long-term studies. The capacity development is still being supported for numerous on-going projects.

While continuing to support the conservation goals embedded in the Royal Charter, the BTFEC’s successive Strategy Plans acknowledged that accelerating changes in Bhutanese society. Bhutan has been experiencing the increasing pressure on the natural environment. The main drivers of change are construction of roads and electricity transmission lines, pollution of water and soil by improper waste management, hydro-power dam construction, open cast mining, illegal logging and poaching, and limited efforts to integrate development and environmental

protection. In addition, the change in global climate is already affecting the fragile mountain ecosystem of the Himalayas at faster pace than the other parts of the world.

In order to manage, mitigate and minimize these impacts, BTFEC had increased its funding for a boarder range of conservation activities. For instance, Strategy Plan II (2010-15) involved more grassroots rural population, simplified the application process and made it more accessible, strengthened monitoring and evaluation and improved organisational effectiveness in terms of project management. Riding on the success and performance of Strategy Plan II, the third Plan – Strategy Plan III (2015-2020) – was built on recommendations on the assessments of BTFEC’s past performance. Strategy Plan III provided an opportunity for BTFEC to develop clearer and focused program to fund critical conservation challenges and engage additional partners in the effort. Other opportunities include utilization of available funds for greater program impacts, increased staff and improved financial management.

In terms of assessment of biological resources in the country, it has supported the first ever survey and development of management plans for key species like Snow Leopard, Elephant, White-bellied Heron, Musk deer, and Takins. In addition, it has supported the first ever National Forest Inventory in the country. Another milestone is the documentation and development of guidebook of local fish diversity in all the major river basins of Bhutan. SMART patrolling is yet another initiative which BTFEC has rigorously supported through the GEF/World Bank project, which in long run is expected to make informed-decision makings in biodiversity management. BTFEC also supported numerous innovative technology adoption projects for wood industries and climate change.

For promotion of environmental-values for future generation, BTFEC has successfully mainstreamed environmental science curriculum into school education for grade 9 to 12. Similarly, BTFEC established recreational parks for social welfare such as Royal Botanical Garden, Ludrong Memorial Garden, Thimphu Ecological Park and Changjiji Recreational Area. Numerous recreational parks are under development at

Dechencholing Dangrina, Babesa, Babena and in and around Trashichodzong.

In recent years BTFEC has been collaborating with several multilateral agencies like GEF, Climate Investment Fund, Work Bank, Adaptation Fund and Green Climate Fund. Through those collaborations BTFEC is exploring funding sources for adding to its endowment fund. In 2018, BTFEC has become the only National Implementing Entity for Adaptation Fund in Bhutan and currently the accreditation to Green Climate Fund is under process. Through such financing windows BTFEC is looking forward to support projects related to mitigation and adaptation to climate change for the vulnerable communities in the country.

BTFEC's endowment has been steadily growing, which as of today stands at 71.1 million US\$. This is an exponential increase from initial endowment of 20.3 million US\$. BTFEC has indeed been an effective conservation grant-making organization that has supported more than 200 projects worth over Nu. 1158 million (24 US\$ million).

Our Secretariat is small by design with permanent staff of 17 people.



71.1
MILLION US\$

BTFEC's endowment



200
PROJECTS

Supported Projects
worth over
Nu. 1158 million



600
HR

Human Resource
development of
Bhutanese in
conservation

Governance

The BTFEC is a legally and administratively autonomous entity governed by its Management Board (in effect its Board of Trustees). The Royal Charter entrusts full governance and fiduciary oversight to the Management Board. The Royal Charter decrees governance through a six-member Management Board including representation from non-government and private sectors. The Board also determines investment strategy and annual spending.

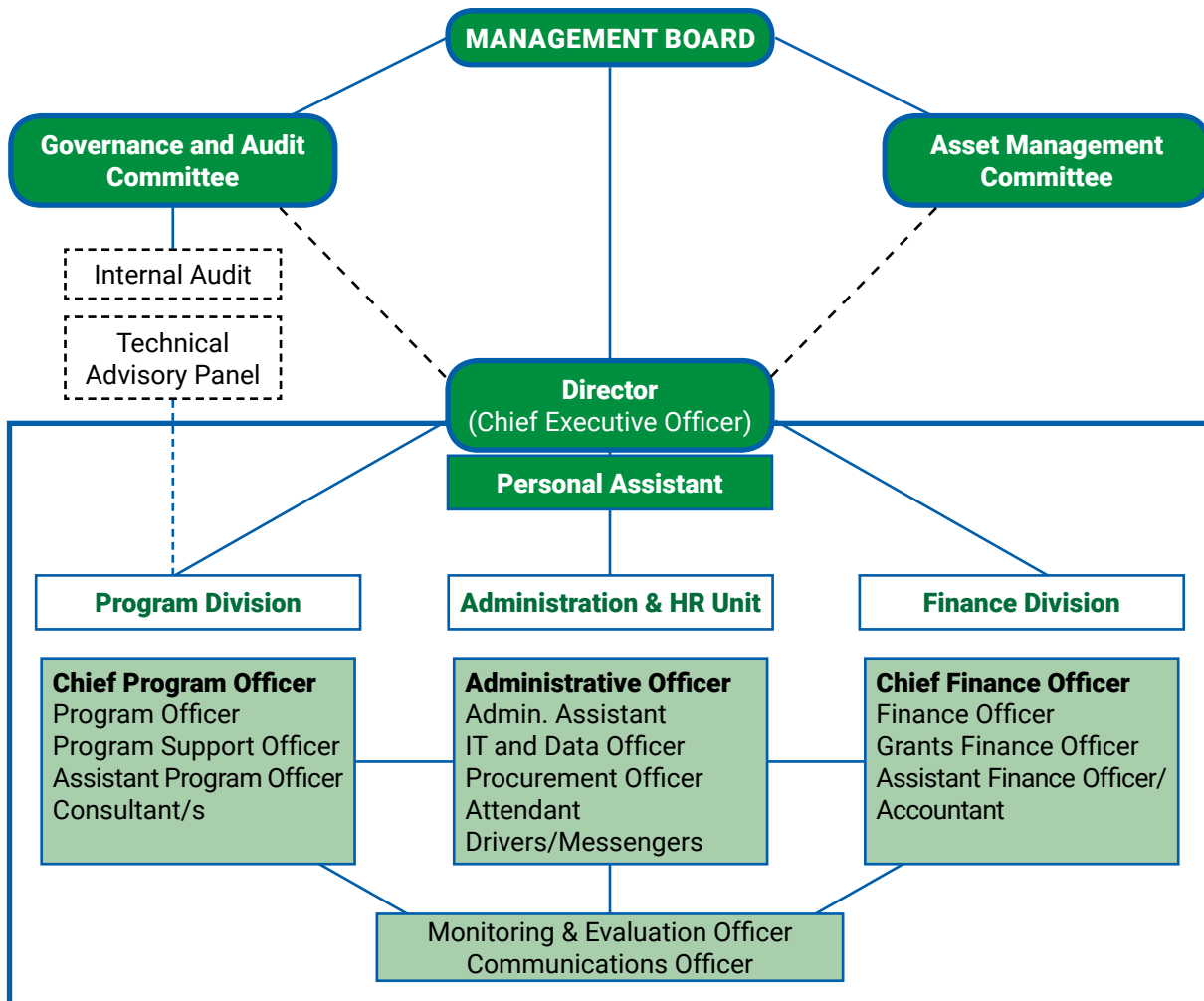
The Management Board's obligations are articulated in the BTFEC Bylaws. The Bylaws also establish a Secretariat that is headed by a Director

(Chief Executive Officer) who is appointed by the Management Board. The Director appoints staff to manage BTFEC on a day-to-day basis.

As a non-profit, the BTFEC is exempt from Bhutanese income tax, payment of customs and import duties and excises taxes on equipment purchased for carrying out activities and programmes that are approved by its Board. The Fund also has a US non-profit status of 501(c) 4 in recognition of its operation in the interest of Bhutan's social welfare and of the exclusive use of net earnings for environmental conservation purposes.



BT FEC ORGANOGRAM



Reports to: _____

Advises as input to decision-making: - - - - -

Informs as input to decision-making & execution: - - - - -

Management Board

Mr Kesang Wangdi, Chairman

Dr Sonam Phuntsho

Dr Damber Singh Kharka

Mr Dechen Dorji

Mr Tshering Dorji

Mr Passang Tshering

Dr Pema Choephyel (Member Secretary)

Asset Management Committee

The Asset Management Committee assists the Board in investment management. The current members of the committee are:

Dr Damber S Kharka (*Chairperson*)

Dr Pema Choephyel

Mr Tshering Dorji

Ms Dechen Pelzom

Ms Tshering Lham

Mr Singye Dorji (*Member Secretary*)

Governance and Audit Committee

BT FEC has Governance and Audit Committee in order to improve with its management procedures and provide timely correction.

Mr Passang Tshering (*Chairperson*)

Mr Kesang Wangdi

Mr Tandin

Technical Advisory Panel

To improve transparency and objectivity in grant making, a six-member committee conducts technical review of proposals and recommends to the Management Board for approval. The member's identities are kept confidential in order to avoid direct contact with proponents to ensure unbiased and independent review of proposals.

2016 guides BT FEC's operations, and is amended by the Board whenever necessary. The Director has authority over Board-approved finances, and discretionary authority over an annual Small Grants budget of Nu 2,400,000, with individual grants not to exceed Nu 400,000. BT FEC is run by a small secretariat of staff:

Secretariat

BT FEC Secretariat has seen a steady growth in terms of its organizational development along with it, its human resources. In the past year, 2017, the Secretariat has recruited additional staff to cater to needs of ever-increasing workload and program management – the Secretariat's human resource stand at seventeen today. The recruitments were in the monitoring and evaluation, communications, and finance.

The Administrative and financial powers are delegated to the Director. The Operational Manual

Dr. Pema Choephyel, *Director/CEO*

Mr Ugyen Lhendup, *Chief Program Officer*

Mr Singye Dorji, *Chief Financial Officer*

Ms Sonam Wangmo, *Administrative Officer*

Mr Dorji, *Program Officer*

Ms Yeshey Peldon, *Finance Officer*

Mr Kuenzang Tshering, *Monitoring & Evaluation Officer*

Mr Rabi C Dahal, *Communications Officer*

Mr Thinley Wangdi, *Data Manager*

Ms Rinchen Wangmo, *Asst Procurement Officer*

Ms Phuntsho Choden, *Asst Program Officer*

Ms Rinchen Dema, *Asst Finance Officer*

Ms Kinzang Lhamo, *Personal Asst to Director*

Ms Pema Wangmo, *Admin Assistant*

Mr Pasang, *Driver/Messenger*

Mr Mani Kumar Shingdan, *Driver/Messenger*

Ms Karma Yangzom, *Office Attendant*

Strategy Plans

Following BTFEC's initial capitalization, the Fund's Board developed and approved the first strategy and action plan in 1997. The implementation of the first plan led to improvements in BTFEC's administration, financial management, fund raising capacity as well as its grant funding processes.

Under the 1997 plan, BTFEC's grant making focused on establishing and financing a new network of Protected Areas (PA). With BTFEC financing of more than US\$7 million in grants, RGOB succeeded to establish a new PA system of five national parks, four wildlife sanctuaries and one nature reserve that is representative of the country's ecosystems.

BTFEC developed its second Strategy Plan II 2010-15, which provided the basis for the much-needed expansion of the BTFEC's role. The Plan was rather ambitious in what it tried to achieve in a five-year period, especially as it presented

a number of new programme areas for grant-making and proposed new ways of doing business. The Strategy Plan II helped BTFEC to respond to the country's changing environment priorities and recent political transformation.

Strategy Plan III, 2015-2020, presents an opportunity to develop a clear and focused programme to fund critical conservation challenges and engage additional partners in the effort. Other opportunities include full utilization of available funds for greater programme impacts, increased staff and improved financial management.

Strategy Plan III 2015-2020

Through the implementation of Strategy Plan III, BTFEC aspires to address critical environmental issues with effective utilisation of resources. This new approach came into effect from 1 July 2015 and through to 30 June 2020. Given the sum available for the three strategy priority areas, fund allocation for

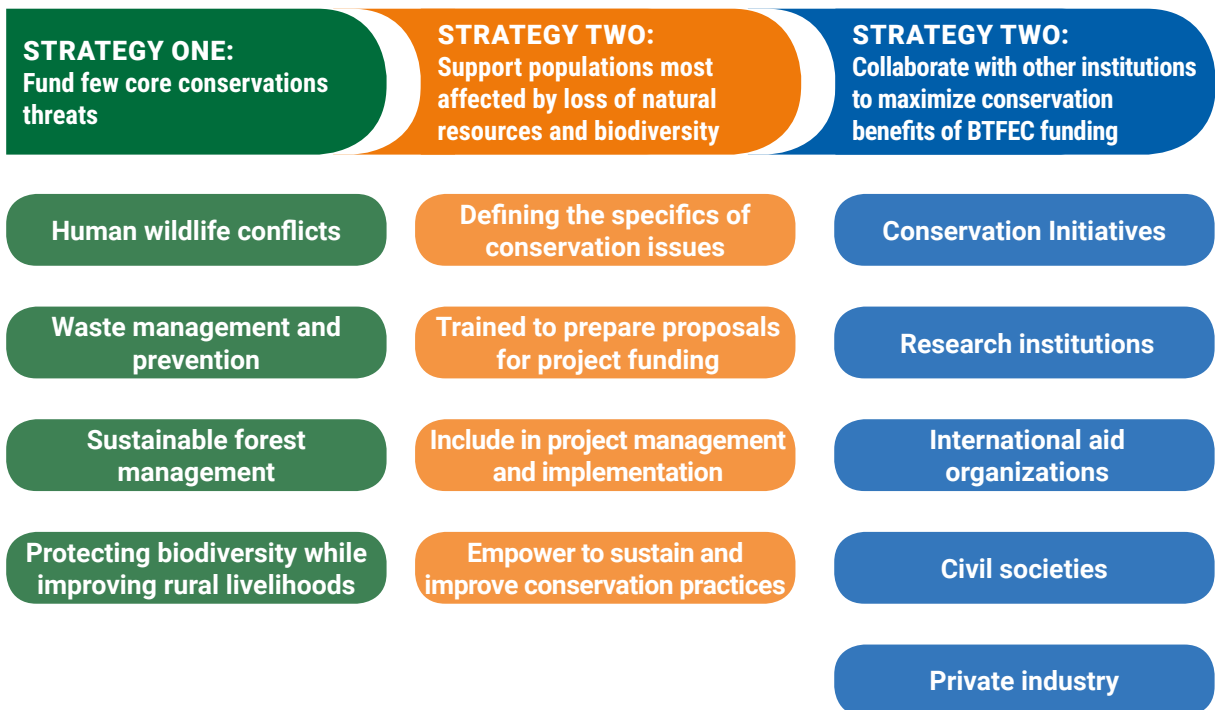
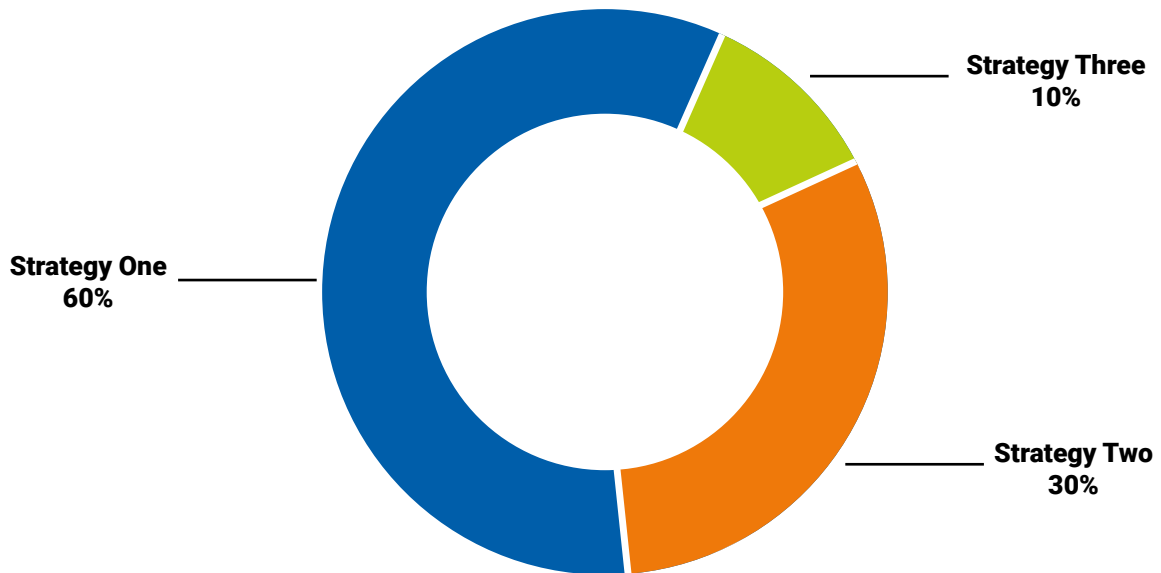
Strategic Plan III is shown below:

Strategy		Fund Allocated (Nu. Million)	Allocation (%)
Strategy One	Fund a Few Core Conservation Threats	270	60%
Strategy Two	Support Populations Most Affected by Loss of Natural Resources and Biodiversity	135	30%
Strategy Three	Collaborate with Other Institutions to Maximize Conservation Benefits of BTFEC Funding	45	10%
Total		450	100%

Through the implementation of Strategy Plan III, BTFEC aspires to address critical environmental issues with effective utilisation of resources. This new approach came into effect from 1 July 2015 and through to 30 June 2020.

Given the sum available for the three strategy priority areas, fund allocation for Strategic Plan III is shown below:

Strategy Plan III



Highlights of 2018-19 achievements

PROJECTS UNDER IMPLEMENTATION

Between 1 July 2018 and 30 June 2019, there were 23 Management-approved grant projects on the roll, of which five of these projects were completed on 31 December 2018. Significant achievements in relation to the BTFEC's Strategic Plan III, of the on-going (rolling) projects during the fiscal 2018-19 are highlighted below.

PROJECT NAME, GRANTEE, BUDGET	OBJECTIVE AND EXPECTED OUTCOME	KEY ACCOMPLISHMENT IN 2018-19
<p>Development of compact and appropriate onsite sanitation technology for reducing public health hazards and environmental pollution in the urban areas of Bhutan, CST</p> <p>Grantee: College of Science & Technology</p> <p>Budget: Nu 14,620,000</p>	<p>To develop a compact, appropriate, affordable and sustainable domestic wastewater treatment technology using locally available materials.</p> <p>To develop human resource capacity and laboratory facilities of the CST to carry out independent research on water quality analysis and also in the water and wastewater technologies.</p>	<ul style="list-style-type: none"> • Lab scale optimisation of anaerobic reactors through continuous mode of operation almost near completion of the study • Re-validation of survey data: classified towns and municipal engineers-based on the updated population data • Strengthened research and managerial capability of CST academic staff through the successful visit of the three-member team to UTS from CST led by the president
<p>Fish Fauna Assessment: Species Composition and Distribution of Fish in Manas River Basin, Nyera Ama Chhu, Haa Fishery.</p> <p>Grantee: National Research Centre for Riverine & Lake Fisheries</p> <p>Budget: Nu 12,590,000</p>	<p>To Assess Fish Fauna both in terms of Species Composition and Distribution in Manas river, Aiechu and Nyera Amachu and to make Recommendations for Fishery Resource Management.</p>	<ul style="list-style-type: none"> • Preliminary survey and site selection completed in all 133 sampling station. Data collected from 75 sampling stations. Sent 46 specimens for identification outside Bhutan. • Real time fish sampling conducted in 75 sampling stations as against the target of 90 fishing stations. Real time samplings were conducted in the main stream and side tributaries of Mangdechhu, Chamkhar-chhu, Aichhu, Drangmechhu, and Nyera Amachhu.

		<ul style="list-style-type: none"> • Specimens collected from the 75 stations have been studied in the laboratory and their taxonomic identify analyzed. The resultant 18 new species records have been added to the existing list of 104 from Western Bhutan taking the total to 122 species • 500 fish specimens collected from 75 sampling stations have been catalogued into the Centre's internal database
<p>To Enhance the management effectiveness of Jigme Khesar Strict Nature Reserve</p> <p>Grantee: Jigme Khesar Strict Nature Reserve</p> <p>Budget: Nu 14,750,000</p>	<p>To have an adequate and full-fledged infrastructure to enhance the management effectiveness of Jigme Khesar Strict Nature Reserve in reducing the incidences of wildlife poaching and illegal collection of resources, well established information networking system and for timely delivery of services to the stakeholders.</p> <p>To document the presence of Red Panda, habitat preference and threats in the study area.</p>	<ul style="list-style-type: none"> • The construction work for the Reserve Head Office is awarded to local contractor with one year of project term. The physical progress on external concrete finishing work, roofing, internl partition has been completed. • The presence of Red Panda has been confirmed with the ascertaining of habitat preference by the species. The conservation threats of the species are also well recorded. The management has recommended strategies to curb down the threats for the future conservation of the species.



Strengthening Environmental Auditing towards Protection and Conservation of Environment

Grantee: Royal Audit Authority

Budget: Nu 6,924,000

To strengthen the RAA's role in environment protection and conservation through excellence in environmental auditing techniques and scientific analysis

- For the revision of the Environmental Audit Guidelines, a technical team was formed comprising of two auditors who had completed Masters on Natural Resource Management from the Asian Institute of Management and Chief of Thematic Audit Division (Environmental Audit Section).
- Two sets of workshops were conducted for the review of the guidelines. Chief of Thematic Audit Division, one auditor from the Performance Audit Division, one auditor from the Thematic Audit Division and the two auditors (Masters Candidate) participated in the finalization workshop. The guidelines document was printed and distributed to the divisions and regions.



<p>Research and Development in Electric Fence Designs based on Animal Behaviour and Exploring Alternative Materials for Wooden Poles through Recycling</p> <p>Grantee: Agriculture Research & Development Centre (Wengkhar)</p> <p>Budget: Nu 3,780,000</p>	<p>Introduction and integration of new technology in human wild-life management</p> <p>Gradual reduction in use of wooden poles in electric fence system/ alternate electric fence pole identified and promoted</p>	<ul style="list-style-type: none"> • Research findings on bio-acoustic wild animal repellent and alternative HDPE pipe based electric fence are finalized for publishing in upcoming Sonam Drupdrey magazine and Bhutan Journal of Agriculture publications • About 3 species of indigenous trees identified and propagated about 1000 saplings in the greenhouse • Completed the installation of greenhouse with suitable irrigation facilities for Thenmang community at Tsamang Gewog for propagation tree saplings • Completed the 3 days program on awareness creation and tree plantation for Thenmang community at Tsamang • One site at Yakpogang initially is a test site of bioacoustics research is now provided with electric fence to deter the nocturnal wild from the field.
<p>Conservation and Sustainable Use of Indigenous Flora in Bhutanese Gardens and Landscapes</p> <p>Grantee: Department of Agriculture</p> <p>Budget: Nu 7,120,000</p>	<p>Germplasm of native and endemic ornamental plants established Floriculture and landscaping promoted as alternative means of livelihoods.</p>	<ul style="list-style-type: none"> • Institution of Dzongkhag Beautification Sector in 20 Dzongkhags • Supported nursery establishment in all the Dzongkhag to promote greenery, floriculture and use of native plants.
<p>Enhancing Community Capacity for Biodiversity Conservation and Livelihood improvement through Eco-based Farming</p> <p>Grantee: Rural Development Training Centre (Zhemgang)</p> <p>Budget: Nu 6,500,000</p>	<p>To build the capacity of the farming communities to effectively and sustainable management of the agriculture production system through eco-based farming</p>	<ul style="list-style-type: none"> • Trained 166 farmers including youth on climate smart agriculture • 65 participants, including 23 females from various dzongkhag, availed climate smart mushroom farming. • 64 participants including 31 women attended climate smart vegetable farming. • 29 farmers including youths were training in green house tomato production

<p>Working towards Achieving Land Degradation Neutral Status “Protect-Sustain-Restore”</p> <p>Grantee: National Soil Service Centre</p> <p>Budget: Nu 6,000,000</p>	<p>Participatory SLM action planning done to effectively reduce land degradation in Wangphu</p> <p>Land degradation minimized, soil fertility status improved, and rural livelihood enhanced through SLM interventions</p> <p>Capacity on SLM enhanced and SLM mainstreamed into policies and plans to achieve LDN</p> <p>SLM project monitored and evaluated</p>	<ul style="list-style-type: none"> • Supplied planting materials for SLM and bio-engineering activities covering 80 acres. • Six sites fenced for critical drinking water source. • Provided hands-on training on soil fertility enhancement to 234 households. • Rural livelihood of Wangphu Gewog enhanced through supply of vegetable seeds and fruit seedlings to 280 and 234 households respectively • Organised a national land management campaign coinciding with UNCCD Day to enhance SLM and mainstream into policies and plans.
<p>Improving Rangeland Governance and Leveraging Yak Value Chains for Sustainable Natural Resources Management and Livelihoods in western frontier of Bhutan</p> <p>Grantee: Department of Livestock</p> <p>Budget: Nu 9,390,000</p>	<p>To contribute yak genetics conservation and yak product development for sustainable highland livelihood.</p>	<ul style="list-style-type: none"> • Yak herders’ association formation and capacity development was one of the key achievements. • Constructed office, staff quarter, store, processing unit and shed. • Trained 40 yak herders and 18 technical staff on environment sensitivity yak farming • Trained 40 yak herders and 6 technical staff on fodder development and conservation.
<p>Conservation and Promotion of Native Poultry Breeds of Bhutan</p> <p>Grantee: Department of Livestock</p> <p>Budget: Nu 8,590,000</p>	<p>To establish native poultry breeding center and its conservation program</p> <p>To encourage native poultry breed conservation and utilization by farmers and disseminate information on the importance of native poultry breed conservation</p>	<ul style="list-style-type: none"> • The construction of parent stock shed has commenced and expected to be complete by September 2019 • The brooding and rearing shed for chick has been completed with required equipment and it is operational • A total of 55 breeding stock (pure black and Siem) were procured from Tingtingbi • Native Poultry Rearing Group was formed for Oongar village, Maedtso Gewog. 30 households were trained on management and record keeping.

Scientific Study on the Ecology of Small Felids in Royal Manas National Park

Grantee: Royal Manas National Park

Budget: Nu 3,747,000

To strengthen conservation of small felids with focus on Leopard cat, Marbled cat and Golden cat through establishment of scientific information on their ecology in RMNP

- With 1019 students from 5 schools covered during the awareness campaign, the Manas park has achieved 99% in dissemination of conservation information in the schools in and around the park.
- Procured 15 nos. of Tomahawk traps, the main equipment enabler of GPS tracking.
- Successfully collared a leopard cat (*Prionailurus bengalensis*) on October 19, 2018. The collared animal has been tracking with VHF antenna under Gomphu Range

Scientific Study of the Ecology and Conservation of Spotted Deer and other Small Mammals in Phipsoo Wildlife Sanctuary

Grantee: Phipsoo Wildlife Sanctuary

Budget: Nu 5,700,000

To strengthen the conservation of spotted deer and small mammals

To enhance the efficient conservation of wildlife through appropriate intervention

- Images of captured in camera traps were used in development of Mammals of PWS booklets. Four publications on bird, butterflies, fishes and mammals have also been achieved from BTFEC publication fund support.
- Established and mapped 206 km of wildlife patrol routes covering all wildlife poaching and illegal timber harvesting area (hotspots) and maintained 23 km patrol route used frequently (Shariphu-Cheownidangda), which enabled monitoring of wildlife efficiently.
- Maintained and enriched two semi-natural waterholes and 10 saltlicks for wildlife habit enhancement.



<p>Zero Waste Project in Samdrup Jongkhar and Trashigang</p> <p>Grantee: Lhomon Society, Samdrup Jongkhar</p> <p>Budget: Nu 1,706,600</p>	<p>Institutionalize zero waste ethos and build institutional capacity in sustainable waste management</p> <p>Education and Awareness raised in the importance and effects of minimizing waste</p> <p>Increase waste recovery business</p>	<ul style="list-style-type: none"> • Trained 5 zero waste trainers • Constructed 3 MRFs • To create awareness on zero waste management system and waste management act more than 150 households in 3 project sites were educated on waste management • Zero waste craft trainings conducted and zero waste craft outlet established. Diversified craft products and already started selling from the outlet
<p>Building Socio-Ecological Resilience An Adaptation to Progressive Climate Change in Sakteng Wildlife Sanctuary</p> <p>Grantee: Sakteng Wildlife Sanctuary</p> <p>Budget: Nu 7,013,250</p>	<p>Relevant protocols and survey methods completed for developing community-based adaptation measures, ecosystem-based adaption measures and solid waste management strategy for SWS</p> <p>Climate-related vulnerabilities, risks and threats to communities of SWS documented</p>	<ul style="list-style-type: none"> • Conducted climate change adaptation workshop for local leaders and Gewog Extension staff, where more than 200 participants including local people attended the workshop <p>Three reports were published:</p> <ol style="list-style-type: none"> 1. The conservation management plan of SWS 2. Waste management action plan of SWS (2019-2024), towards realising clean and green landscape 3. Report on building socio-ecological resilience: an adaptation to progressive climate change in SWS
<p>Samazingkha Agroforestry Project</p> <p>Grantee: Thimphu Territorial Forestry Division</p> <p>Budget: Nu 15,000,000</p>	<p>Conserved and Protected biodiversity (The whole barren ridge above Samazingkha will be converted into a beautiful Agroforestry Prototype by the end of 2020)</p>	<ul style="list-style-type: none"> • Planted more than 7100 species of forestry seedlings; Maintenance of existing road complete; Created 500 m Fire-line • Planted 5,000 seedlings of mix native and fire-resistant tree species in areas where terracing is not feasible • Completed 500 meters of fire line below the project office • Planted more than 30 species of mix ornamental plants; Created a mini pond near the office • Maintenance of the existing road completed

Develop Conservation Management Plan for Biological Corridor 5 (BC5) and Hotspot Mapping of Human Wildlife Conflict areas under Pemagatshel Dzongkhag

Grantee: Pemagatshel Territorial Forestry Division

Budget: Nu 7,330,900

Ensure the functional biological corridor landscape through development of climate smart conservation management plan for Biological Corridor number 5 – connecting RMNP and JWS.

Enhance community stewardship towards conserving natural resources and biodiversity through active participation of community in reducing the HWC.

- Writeshop has been initially planned to conduct within Pemagatshel, however to include different field expertise from various field divisions, it was conducted at Khuruthang. A team comprising of 12 heads from NCD, Parks and Division joined to come up with realistic management plan.
- Covering the complete set of BC5 plan which includes current status of BC5 – Physical features and boundary, Flora, Fauna, Birds and Social aspect, Threats and possible challenges, Targets and strategies, Activities and plans, proposed Budget and monitoring procedures were all presented over the stretch of 2 days. A total of 389 participants have participated.



Developing Climate Resilient Communities through Appropriate Adaptation and Mitigation Interventions

Grantee: Tarayana Foundation

Budget: Nu 12,402,500

Build Climate Resilient communities through access to appropriate adaptation and mitigation activities

Sarpang

Materials such as wires, meter boxes and pipes for installation of electric fencing at Bhakjungye were issued. Holes have been dug to install wooden poles. The work is expected to be completed by July 2019.

Lhuentse

A total of 34 km electric fencing (24 km at Ney, 5 km at Ngar and 5km at Lingabi respectively) has been completed. 143 households will benefit from the electric fences. 67 males and 70 females were trained on operation and maintenance of electric fencing.

Monggar

Installation of 20 km electric fencing at Nagor and 8 km at Brokser respectively has been completed which is a benefiting 180 household.

Samtse

Electric fencing for 11 households at Dugpoling has been installed.

Sarpang

One pressure breaker tank has been constructed and one syntax (1000 liters) tank has been supplied to Hungrelthang (old name- Torkey) village benefitting 17 households of the village.

At Dechenling (old name- Noon Pani) village, the government has already constructed a reservoir tank constructed pressure tank benefitting 22 households.

Lhuentse

Twenty-three members attended the consultation meeting at Ney and Kilung villages where it was found that the community is facing water shortages especially during winter season. Construction of pressure breaker tanks will be completed soon.





Monggar

Pipes, concrete and other necessary materials have been issued to Nagor community.

Samtse

The layout of the reservoir tank and pressure breaker tank are drawn with support from the Dorokha Dungkhag Technician. A reservoir tank with 12,000 liters capacity and a pressure breaker tank have been installed at Kuzugang village, which will benefit 36 households. In Sanglung two reservoir tanks with 16 liters and three pressure breaker tanks have been constructed.

Five Water User Groups were formed, three at Sanglung A& B and two in Kuzugang village.

Haa

Three pressure breaker tanks were constructed at Sertena and one at Yokha respectively benefitting 46 households in two villages. One reservoir tank has been constructed at Rangtse with capacity of 30,000 liters benefitting 35 households. In Yokha and Rangtse, a total of 14 water tapes were installed.

Conservation of Black Necked Crane in Bumthang

Grantee: Bumthang Territorial Forestry Division

Budget: Nu 2,959,000

Validated conservation priorities and challenges in the BNC habitats.

- Conducted stakeholder meeting in Chhoekhor Gewog (Chamkhar, Wangdicholing, Dekling, Tamshing).
- MoU was drawn with UWICER, so to carry out the study in subsequent season.
- Conducted monitoring of BNC behavior and the population trends in Tang, Chumey and Chamkhar.

<p>Rehabilitation of Degraded Watershed and Improvement of Water Supply for Eutok Gonpa and Dra Karpo</p> <p>Grantee: Eutok Samrup Chholing Gyenzin Dratshang</p> <p>Budget: Nu 1,811,000</p>	<p>Key achievements</p> <ul style="list-style-type: none"> • A total of 72 monks of Eutok Gonpa monastic school, 30 monks of Dra-Karpo Monastery and Shaba village community benefitted with clean water supply through improvement of watershed condition and water vegetation cover. • Over 4000 tree seedlings of native tree species planted and watershed management committee formed.
<p>Integrated Wildlife Management for Sustainable Biodiversity Conservation and Livelihoods</p> <p>Grantee: Bumdeling Wildlife Sanctuary</p> <p>Budget: Nu 14,200,000</p>	<p>Key achievements</p> <ul style="list-style-type: none"> • A Black necked crane conservation support group consisting of 20 members from Tashiyangtse and Bumdeling formed to enhance conservation of Black necked crane. • Studied and documented varieties /new of wild animal and movement of deer, common leopard, leopard cat, Asiatic cat, samber deer, serow, goral, dhole, Himalayan black bear, wild boar, porcupine, cattle, Birds, squirrels, martin, human, ghost, unknown, cattle, monkey along the biological corridors, between BWS & PNP, between BWS & WCNP
<p>Antipoaching of Musk Deer-Ensuring their conservation in WCNP and beyond</p> <p>Grantee: Wangchuck Centennial National Park</p> <p>Budget: Nu 15,000,000</p>	<p>Key achievements</p> <ul style="list-style-type: none"> • Constructed Access road to Park Range Office, Dungkar to enhance service delivery • Constructed two-unit staff quarter and Park Range office at Dungkhar in Lhuentse
<p>Enhancing the Conservation of Bhutan Takin, the National Animal</p> <p>Grantee: Nature Conservation Division</p> <p>Budget: Nu 5,090,000</p>	<p>Key achievements</p> <ul style="list-style-type: none"> • Published report on Takin Distribution, the nation animal of Bhutan in the country. • High specification workstation (high spec- desktop) for data analysis procured.
<p>Introducing Environmental Science in Formal Education in Bhutan in Classes XI and XII</p> <p>Grantee: Royal Education Council</p> <p>Budget: Nu 5,236,000</p>	<p>Key achievements</p> <ul style="list-style-type: none"> • The professional capacity of over 130 teachers developed to teach environmental science effectively. All the participants oriented on content, assessment, pedagogy and practical work. • A total of 5761 students (from classes IX to XII) benefitted through 51 Environmental Science reference books to understand information on physical, social and cultural environment.

The above projects were completed on 31 December 2018.

SMALL GRANTS



Population Status and Diet of Sympatric Hornbills in Jomotsangkha Wildlife Sanctuary, Karma Gyeltshen, Nu 150,000

- Population status of Hornbills in JWS is documented. The total number of individual sighted were 245, of which 171 were GH, 37 OPH, 22 WH and 15 RNH. The entire area of JWS is surveyed for nest and roosting site of hornbills. Diet consumed by hornbills of JWS during different season is documented. Nesting sites of Hornbills within JWS were located and characterized. Roosting sites of Hornbills within JWS were located and characterized
- A book (82 pages) of compiled data is submitted to JWS park management. The book contains data on hornbill population status in the area, the checklist of diets consumed by hornbills and about nesting and roosting sites, their location and characteristics.



Study and Display of Wild Orchid during Royal Bhutan Flower Exhibition for Awareness and Education, Ugyen Wangchuck Institute for Conservation and Environmental Research, Nu 250,000

- Comprehensive list of plants within the orchidaceae family prepared for the central and western region: 23 orchid species were displayed during the royal flower show at Thangzona and the orchids were mostly collected from Samtse, Thimphu, Bumthang, Chhukha and Wangdiphodrang.
- Orchids of central and western districts of Bhutan collected and raised at NWFP sub-center at Darla. Education and awareness on the ecological role and importance of the orchidaceae family in terms of socio-economic benefits created.



Reduced Waste and it's Implication through Waste Management System, Drungkhag Administration, Dorokha, Nu 400,000

- The project was implemented under Dophuchen Geog and benefited more than 700 household, covering three chewogs and Business communities.
- The projects focused on involvement of unemployed youth in waste management through segregation and marketing of solid waste, and recycling of degradable waste through composting. This project will benefit the public of Dorokha Drungkhag in reducing the waste and enable them to create a pristine environment to live through social awareness on waste management. Solid waste collection and segregation shed for marketable waste was constructed at Dorokha. Through the project a mini recreational park was created at heart of town.



Training of Focal Leaders for Scout Environment Program from all Dzongkhags and Thromdes, Department of Youth & Scouts. Nu 400,000

- Through a Five-Day Training, Scout Focal Leaders are familiarized on the New Framework for Environmental Education in Scouting and are engaged in practical sessions on Go Solar, Leave No Trace and many relevant activities. The training also helped focal leaders to develop creative and an innovative strategy to tackle environmental issues to help creating harmonious and environmental disaster free communities. The participants have developed standard action plan for Environment that will be carried out in their respective Dzongkhags and Thromdes after the training.
- Trained 24 Scout Focal Leaders from all Dzongkhags and Thromdes on Scout Environment Framework and are equipped with skills and knowledge that helped them understand and identify the risk associated with environmental disaster and better know how to address them creatively and innovatively. Outcome of which was Youth and Community members in all Dzongkhag and Thromde are actively engaged in Environmental activities and contributed to creating an environment friendly society.



Nursery Development and Landscaping and Education Programme for the Students of the Royal Academy at Pangbisa. Nu 300,000

- Established nursery shed and set up seedling and sapling, trained nursery staff in nursery management and plantation, and field trip for the nursery staff were conducted. Root balling of native species were carried out and root balled around 245 native species. In doing these, the activities provided platform for the students to learn on nursery management and plantation
- Organised environment and awareness program to the students, conducted education workshop, and conducted cleaning campaign around the local community. The outcome of these activities helped students create awareness on the importance of environmental conservation and constitutional mandate.



Enhancing Conservation Values of Duenmang Tshachu through Effective advocacy on Management of Solid waste, Zhemgang Territorial Forestry Division. Nu 400,000

- The project aims to make Duemang tsachu as sustainable tourism destination in Zhemgang
- It will institute waste management mechanism and create awareness amongst visitors, and enhance visitor services and provide easy access to tsachu. Through this project a waste collection shed and a mini centre with attached toilet will be constructed at Praling.





Conservation of Critically endangered orchid, *Paphiopedilum fairrieanum* in Samdrup Jongkhar District, Samdrup Jongkhar Territorial Forestry Division. Nu 400,000

- This project will also uphold the “conservation of species” section of National Biodiversity Strategies and Action Plan, 2014 and form the first scientific document and baseline data for the *Paphiopedilum fairrieanum* in Bhutan. Moreover, it will also help to fulfill the objective of “Protecting biodiversity while improving rural livelihoods” of BTFEC strategy plan III (2015-2020). Beside these other contributions such as, ecotourism hotspot generation, diversification of tourism to Eastern Bhutan and the biodiversity conservation will be upheld by this small essential project.

Thematic Areas for 2019

In the new approach, Strategy Plan III, BTFEC annually issues a new Request for Proposal (RFP) to address a specific conservation threat. The RFP describes the threat based on research with subject experts, relevant stakeholders and interactions with target populations. It includes expected outcomes of project funding, total allocated budget and funding cycle, relevant resources, the proposal format, descriptions of the processes for assistance with proposal preparation, financial proposal review and approval, and funding terms and expectations.

Non-governmental organisations, academic institutions, civil societies, rural communities and cooperatives, individuals and governmental entities, including those at the district and local levels, are eligible to apply. Proposals that originate from and/or include local governments, civil societies, and affected populations are given extra credit in the approval process. Projects that include collaboration and partnerships among several institutions for mutual benefit are encouraged if such cooperation likely increases the chance of successful implementation and outcomes. Innovative conservation methods and new technologies are encouraged.

Based on the Request for proposal, the following thematic areas were given priority and grants in the year 2019:



THEMATIC AREA I

Water Resource
Management and its
sustainable utilization



THEMATIC AREA II

Impacts of Human
Wildlife Conflict on
rural livelihood



THEMATIC AREA III

Poor Waste
Management and its
implications

APPROVED PROJECTS 2019-20

The procedures by which Bhutan Trust Fund for Environmental Conservation (BTFEC) receives, approves and funds grant proposals are substantially redefined in Strategy Plan III. BTFEC annually issues a new Request for Proposal (RFP) to address a specific conservation threat. The RFP describes the threat based on research with subject experts, relevant stakeholders and interactions with target populations. It includes expected outcomes of project funding, total allocated budget and funding cycle, relevant resources, the proposal format, descriptions of the processes for assistance with proposal preparation, final proposal review and approval, and funding terms and expectations. BTFEC

advertise and distributes each RFP to interested and affected parties using a variety of media to reach beyond newspaper readers. Once grants are funded, BTFEC offers proactive and continuous support to grantees to help build their respective capacities and enhance the chances that projects will be successful. BTFEC conducts systematic and results-based monitoring and evaluation during project implementation.

During the fiscal year 2018-19, eight Management Board (MB) grant projects were approved and granted. The projects are implemented from July 2019.



At the contract signing of projects commencing July 2019

Management Board Approved Grants

No	Project Name	Implementing Agency/Grant	Objective and expected Outcome
1	National floral diversity conservation and preservation of native floral genetic resources through development of the Tashichho Dzong Gardens	Tashichho Dzong Gardens, His Majesty's Secretariat Nu 14,954,800	<p>To ensure that the cultural heritage of Tashichhodzong and the environmental conservation through the development of Gardens in and around the national monument complement each other with synergy.</p> <p>To create an urban space for the residents of the Capital to ensure quality life through the quality recreational area.</p> <p>To serve as the hub of national floral diversity to ensure long-term floral genetic continuity</p> <p>To serve as the educational hub for the nation in terms of cultural and environmental concerns through the science-based park development.</p> <p>To provide values of the importance of open space for the residents of the capital and contribute to the better lifestyle.</p> <p>To empower women and youth through capacity development to implement and manage the garden and recreational areas.</p> <p>To contribute towards the spiritual wellbeing of the citizens through access to culturally and naturally rich recreational area.</p>
2	Installation of Electric Vehicle Charging Stations to promote Sustainable Transport Systems	Ministry of Information and Communications Nu 15,000,000	<p>To promote sustainable transport systems through availability of adequate, easily accessible, and convenient quick charging infrastructure in the country.</p> <ul style="list-style-type: none"> ✓ Project outcome: Promote low carbon emission vehicle penetration/uptake ✓ Project output: Convenient and reliable EV quick charging stations ✓ Project activity: Interventions to achieve the outputs.



3	Sustainable management of Non-wood Forests Products and its commercialization in Bhutan	Social Forestry & Extension Division Nu 12, 055, 000	The project aims to assess the important and potential Non-wood Forest Products in the country. In the process, the list of the species that are traditionally used, depleting, endangered and abundant in the project areas will be documented. Based on the listing, sustainable management options and interventions will be designed and implemented. The project is aimed to support domestication/cultivation of those species which are on the verge to extinction with unsustainable harvesting practices as well as species with high market value.
4	Upscaling White-bellied Heron Recovery Program	Royal Society for Protection of Nature Nu 9,607,851	To increase and maintain ecologically viable population of WBH through in-situ and ex-situ conservation measures.
5	Strengthening Forest Fire Management in Bhutan through Participatory Approach	Forest Protection and Enforcement Division, DoFPs Nu 12,300,000	To ensure sustainable management of forests through holistic, concerted and effective approach to provide essential ecosystem services for the economic, environmental and social welfare, thereby fulfilling the Constitutional mandate of maintaining 60% of forest cover for all times to come
6	Clean, Green and Beautiful Urban Spaces for Sustainable Development	Royal Project Coordination Office Ministry of Agriculture and Forests Nu 10,040,000	Project goal: Clean, Green and Beautiful Urban Spaces for Sustainable Development Project outcome: Clean, green and beautiful Urban Spaces Project output: Landscape beautification of urban space Royal Bhutan Flower Exhibition Project activity: 1) Area development 2) Production of ornamental plants for display/plantation/landscaping 3) Landscaping and beautification 4) Organize Exhibition: a) to create awareness clean, green and beautiful surroundings b) Educate public on native plants and its uses in gardens and amenity landscaping Educate public on invasive exotic plants and threat of illegal import of plants

7	Strengthening and Promoting Glue Laminated Timber Technology in Bhutan	The Royal Academy Construction Project Nu 14,572,000	<p>Project goal: The goal of the project is to contribute towards sustainable management of forest resources in Bhutan.</p> <p>Project outcome:</p> <p><u>Short term</u> Promote glue lamination technology and its application in Bhutanese infrastructures.</p> <p><u>Long term</u> Diversify timber products and enhance the efficiency of timber utilization through technological innovations.</p> <p>Project output: Technology demonstration, glue-laminated timber product application, local capacity building, build local confidence in the use of glulam, and bring about appropriate policy, legal and institutional arrangements to drive the use of glulam in the country.</p>
8	Critical watershed management of Richulum watershed, Dhop Shari Geog, Paro	Dhop Shari Geog Administration Nu. 2,110,000	<p>✓ <u>Project goal:</u> The project aims to sustainably manage the critical watershed and meet the increasing demand of water for drinking and irrigation.</p> <p>✓ <u>Project outcome:</u></p> <ul style="list-style-type: none"> - To carryout detail assessment of watershed condition - Develop and implement Integrated watershed management plan to improve watershed condition <p>✓ <u>Project output:</u></p> <ul style="list-style-type: none"> - Identify degrading influences at the watershed - Map water sources including wetlands, springs and water recharge sites with discharge measurement. - Communities stake in watershed protection and management enhanced. - Drafting of management plan - Implementation of IWMP

ACCOMPLISHMENT DURING THE FISCAL YEAR 2018-19

BT FEC closes HANAs projects under GEF-WB funding

When BT FEC was implementing its Strategy Plan II, 2010-2015, the Royal Government of Bhutan embarked on a programme to intensify its conservation efforts in the high-altitude northern areas (HANAs). The government adopted BT FEC grant mechanism, including its policies and processes, to strengthen the prioritisation and management of conservation activities in HANAs.

From April 2013 through December 2018, BT FEC implemented the World Bank- Global Environment Facility project, “Sustainable Financing for Bio-

diversity Conservation and Natural Resource Management” amounting to US\$4.08 million. The funding for the conservation activities in HANAs was channelled through BT FEC and the latter managed the selection and the monitoring and implementation of the HANAs grant proposals.

BT FEC has funded 14 HANAs sub-projects under GEF-WB project, SFBCNRM, to a tune of Nu 188,180,000, implemented by: National Biodiversity Centre, Nature Conservation Division and, National Centre for Research for Animal



External Evaluator inspects an electric fencing in Khoma Gewog, Lhuentse



Staff quarter in Bumthang under WCNP

Nutrition and three parks namely; Jigme Dorji National Park, Wangchuck Centennial National Park and Bumdeling Wildlife Sanctuary covering high altitude northern areas landscape of Bhutan. The total budget of US\$ 4.08 million was allocated with the objective of improving conservation management including protected areas and allocated forest and agricultural systems.

Overall, all the grantees, the implementing agencies, were able to create visible positive impacts such as improvement of biodiversity conservation and enhanced livelihood of the communities residing in high altitude northern areas of Bhutan. Tangible improvement in health of ecosystem in the fragile mountainous headwater is also expected to create long term ecological benefits to the downstream settlement.

The project also achieved its target of having 50 percent beneficiaries to be women. Thus, the project adequately benefitted both men and women. In one of the Feed Block Processing plants at Wakuna, in Punakha, the farmers' group has been headed by a women chairperson and it has been doing well since its inception.

Some of the key impacts of the project are:

Improved baseline information: The project has improved baseline information on floral and faunal diversity in HANAs region. Using these national surveys were conducted on key species like Bhutan Takin, Snow Leopard, and Musk Deer in BWS and WCNP. Key recommendations from the researches are successfully mainstreamed into upcoming plans and policies of Department of Forests and Park Services.

Improved rural livelihood: Support to the rural communities in enhancing their livelihood has been crucial in improving the level of trust and cooperation between the communities and the park rangers. Some components that improved livelihood include support through supply of sheep, dairy production equipment, electric fencing, low-cost poly house, production of value-added cereals products and clean source of energy. In the same time numerous farmer groups were initiated for livelihood enhancement initiatives. One of the most successful interventions, for example, was the establishment of homestays in Khoma and income generation

through guesthouse managed by communities residing nearby Aja Ney and Singye Dzong. With diverse support from the park through livelihood enhancement programs, the park management has observed a far-reaching change in attitude and behaviour of the local communities towards the park rangers.

Installation of electric fencing has reduced incidences of wild animal's damages to the crops, increasing harvest and consequently reducing incidences of both lethal and non-lethal retaliation by the farmer. It has also encouraged farmers rehabilitate fallow land and cultivate rice paddy providing food to endangered birds like black-necked cranes in winter. Similarly, livestock insurance scheme was established for reducing impacts of crop damage on livelihood. In addition, the project also successfully implemented conservation of agro-biodiversity like native sheep breeds and traditional crop varieties in Bhutan.

Enhance capacity development: Capacity development was one of the vital components built into many projects that helped both technical staffs and community members in upgrading

their knowledge on sustainable natural resource management and best practices of mitigating ecosystem degradation. It has enriched their expertise in the management of critical HANAs ecosystem, which would remain as an asset to the Department of Forests and Park Services.

Throughout the project period, there were diverse platforms for interaction among the key conservation stakeholder, which over the years, has resulted in improvement of environmental education and awareness on conservation issues.

Promoted Sustainable land management practices: For further improvement of HANAs ecosystem, several initiatives like sustainable land management were implemented for the enhancement of biodiversity. Similar habitat enrichments were carried out through plantation. Such sites also serve as a demonstration site for the local community in reduction of land degradation through both natural and man-made hazards.

Improved effectiveness and efficiency in park management through infrastructure development: Besides human resources capacity development, through the construction of bridges,



The project successfully implemented conservation of agro-biodiversity like native sheep breeds



Substantial amount was allocated for infrastructure development and purchase of equipment

mule tracks, development of walking trail and trailside amenities have increased accessibility to the remote areas of the parks. This has improved patrolling in the parks resulting in a drastic reduction of poaching and illegal collection of Non-wood Forest Products (NWFP). Installation of waste disposal bins and construction of public toilets reduced waste and improved sanitary in the protected areas. Infrastructure developed eased transportation and accommodation, reduced firewood consumption thereby reducing pressure on the forest. Construction of offices and posts contributed to effective park management ensuring efficient service delivery to the local communities. Installation of communication equipment significantly improved patrolling and timely reporting and timely delivery.

Enhance protection of critical ecosystems: One of the key achievements of the project was the protection of critical water sources through numerous interventions. Management and protection of these critical watersheds has already reinforced a sense of communal responsibility. In the long run this intervention is expected to improve local biodiversity.

Effects of grazing pressure on fragile mountain ecosystem have been reduced through numerous interventions like improvement of

quality of yaks, establishment of fodder stations, and research and development on rangeland pastures. Sustainable management of degraded rangelands, in future, is expected to improve the overall health of the ecosystem in the region.

Conducted and mainstream policy review: The existing Forest and Nature Conservation Rules of Bhutan 2006 was revised and effectively implemented since January 2017. A standard method for assessment of protected areas of Bhutan using tailor-made 'Bhutan METT Plus' was developed. The standardized method for the park assessment was then mainstreamed into the policies of the Department of Forest and Park Services. Overall the project implemented in high altitude northern areas has been instrumental in mainstreaming the issues of highlanders in 12th Five Year Plan as a flagship program, specifically designed for highlanders.

The project has significantly improved institutional capacity of the Bhutan Trust Fund for Environmental Conservation. In addition, numerous institutional standards such as Operations Manual (OM) 2016, Environmental, Gender and Social Safeguards, and M&E Framework, Program Operational Norms (PONs) were successfully mainstreamed into day to day functioning of the organization.

BT FEC completes CIF funded SLM project

Bhutan is undergoing rapid natural resource-based social and economic changes. These changes have important implications for land resources and consequently on long-term societal welfare. Due to the fragile mountainous landscape, land degradation is emerging as a key environmental issue, in Bhutan, despite environmental conservation occupying a pivotal place in the national development policies and programmes. Various forms of soil degradation are manifesting themselves all over the country largely owing to natural calamities and anthropogenic factors.

The Government of Bhutan is promoting Sustainable Land Management (SLM) practices to reduce vulnerability and help rural households adapt better to climate variability and change through multilateral donors, like the World Bank, Global Environment Facility (GEF) and national grant-making agency Bhutan trust Fund for Environmental Conservation in Sustainable Land Management Projects.

Evidences suggest that SLM interventions will enhance farmers' livelihoods by conserving

soil and moisture, which makes agricultural production less variable, and diversifies agricultural income. The multiple benefits offered by SLM on steep cropping and degraded lands are central to decreasing on-site vulnerability and off-site dampening of peak flows and sediment loads. As a result, SLM represents a preventive and cost-effective approach to climate change with a positive long-term impact on rural landscape and farmers' livelihoods.

Recognizing the benefits of multi-function of land uses in addressing the issue of land degradation, biodiversity and climate change, participatory and holistic natural resource management has gained momentum amongst various stakeholders in past decades indicating increasing awareness of the people. However, the adoption of best Sustainable Land Management (SLM) practices to realize its benefits fully is hindered by several barriers, including labour shortage, lack of information and financing, limited human and institutional capacities, lack of land use policies, and even lack or inadequate technologies. There, however, exist number of promising and best SLM practices for conserving agricultural land in



Farmers take up SLM initiatives

the country. Some of the best practices include terracing hedgerows, check dams, contours stone bunds, terraces, bamboo, and planted trees, which could be scaled up and incorporated into the government policy. By doing so SLM can help reduce vulnerability and thus increase adaptability and the coping range of the poor. In particular, SLM can help restore soil fertility, improve water availability, and increase livestock productivity, which all ultimately improve conditions of the natural resource base and enhance food security. Existing SLM practises approaches in different parts of the country have important adaptation benefits in Bhutan.

This project took stock of lessons learnt and evaluated the technological interventions used in Sustainable Land Management Programmes (SLMPs) giving importance to SLM as an instrument to enhanced climate resilience and food security. The Project has generated nine SLMP site-specific GIS maps that provide baseline information on appropriate technologies and their effectiveness in combatting soil erosions and improving soil fertility for climate resilience of the communities. The information thus generated is shared with the planners and policy makers, which could be used for developing plans, and programmes and bring about changes in the policies for scaling up the SLM.

The other aspect of the project was to explore potential avenues to create an Innovating Financing Mechanisms for SLM for sustained financing for SLM and other climate change adaptation and mitigation projects for Bhutan. SLM is key to increasing resilience to climate change, enhancing crop production, and ensuring continuous supply of ecosystem services, thus this study recommends instituting an endowment fund for climate resilience activities including SLM as a separate financing window under BTFEC.

Through studies and Stakeholders' workshops, it was found that sustainable financing requires concerted collaboration, dialogue and consensus building. Policymakers and other leaders within a given sector must be able to rally a broad set of actors such as the private sector, CSO, farmers and everyday citizens. Finding meaningful ways to engage these actors together on sustainable financing encourages coherence, understanding and cross-fertilization between sectors, and hopefully generates better outcomes for all.

A recommendation, spelt out strongly at the stakeholders' workshop as well as in the assessment studies, is to mainstream SLM through development of overarching land use policy that could be built on the existing legal frameworks, like Land Act 2007 and Local Governance Act 2009. With national land use policy put in place, National Soil Services Centre (NSSC) would then have a clearer picture as to how to take SLM forward, especially in the light of SLM mainstreaming, upgrading institutional set up, scaling up SLM beyond arable land, and securing financial resource. Hence, to move forward with SLM, rigorous awareness and advocacy at all levels of decision-making is recommended. This will be the foundation to mainstream SLM into national plans and policies. Advocacy could include establishment of demonstration sites in all 20 districts using existing farmers' groups or involving proactive citizens. Long-term monitoring of these sites would help in gathering concrete evidence of SLM benefits.

Bhutan has established policy support and guidance to promote environmental conservation and to pursue climate change adaptation and mitigation programs and projects. Nonetheless, in terms of the supportive policies and legislations to deal with climate change, particularly land degradation; Bhutan still suffers from resource limitations that are critical for addressing land

degradation and other climate change effects. Bhutan is a party to UNCCD's convention of Land Degradation Neutrality (LDN) and in order to fulfil the objectives, SLM activities in the country should be carried out as per the principles and guidelines of LDN. Three main indicators to be used for LDN are land productivity, Land Use Land Cover (LULC) change, and Carbon stock above/below ground. SLM is key to increasing resilience to climate change, enhancing crop production, and ensuring continuous supply of ecosystem services, thus this evaluation and learning activity recommends instituting an endowment fund for climate resilience activities (including SLM) as a separate financing window under BTFEC.

In order to ensure sustainable funding for climate related adversities, and its effects on the land, an institution of US\$ 15 million as an endowment fund is recommended. The Climate Investment Funds (CIF), Global Environment Facility (GEF) and Green Climate Fund (GCF) are identified as some

potential funding sources while contributions from the Royal Government of Bhutan was found crucial. The study also recommends the need for maintaining a databank on SLM interventions across the country by a single agency. This would avoid duplication of similar tasks carried out by various agencies.

A starting point for mainstreaming SLM is to encourage local communities to protect and manage land for achieving long-term agricultural and poverty reduction goals. The urgent need to mainstream SLM into national plans and policies was the highlight of the assessment studies and stakeholders' workshop. Sustainable Land Management activities have to be reflected into their annual plans at the same time it should be incorporated in the upcoming 12 Five-Year Plan (FYP). In addition, the need to enhance livelihood of the local communities with SLM interventions is recommended to promote ownership of SLM sites.

Annual BTFEC Retreat: A platform to learn and unlearn

The Bhutan Trust Fund for environmental Conservation (BTFEC) in its quest to improve the delivery of the work, maintain good working relationship with its grantees as well as the internal staff, held its annual retreat in Manas from February 17-20, 2019.

The retreat was aimed at improving the internal working relationship among the staff by setting a common understanding of its vision and mission. Furthermore, it was felt critical that the performances of the individuals are measured in a transparent and accountable manner. This could be done only by establishing common understanding of the Performance Management System of BTFEC in place and making known and understood by all the staff in a same manner.

Opening the retreat, the Director/CEO of BTFEC said that it was important to stock take and see how things have taken shape over the years. He also informed the gathering that return to the investment is important in any organizations, adding that once a company does well, all its employees do well.

Assessments undertaken by the external consultant has provided many recommendations for improving the efficiency and effectiveness of the BTFEC deliverable. The retreat provided a common platform to share and understand the suggestions made by these consultants so that the relevant divisions could internalize and bring about improvement in their working system. The retreat came up with identified tools and mechanism to



BT FEC annual retreat at RMNP

implement the recommendation to improve the efficiency and effectiveness of BT FEC.

The team revisited the Performance Management system of BT FEC and refined the system so that it is implemented on an annual basis.

It was appropriate that, at the same time, taking into considerations the recommendations made by the consultants develop work plans. Each of the Division and Unit charted out their work plan for the year 2019-2020 and developed action

plans for implementation.

It is high time that BT FEC move to the field to understand the conditions under which our grantees are working and it would be an opportune moment to visit one of the grantees and understand the way they work. At the retreat, the team visited the Royal Manas National Park and visited the activities undertaken by it to see the areas of shortfall in the management of Sanctuary and scope of support to the Sanctuary.



ANNUAL STAKEHOLDERS' WORKSHOP

The BTFEC Annual Stakeholders' Workshop was held in Phuentsholing from 24 to 28 December 2018. Project focal persons and finance officers of the on-going and recently approved projects, supported by BTFEC, attended it.

The participants represented the government agencies, CSOs, and members of BTFEC secretariat. The presentation covered selected projects, and inputs from BTFEC on procurement rules and requirements, financial reporting, technical reporting, and other developments at the BTFEC.

The Workshop was conducted with a primary goal to strengthen collaborative approach between the project implementers and BTFEC for effective implementation of the grants, gain knowledge through experience sharing among stakeholders, and bring improvements in the (project management) progress reporting and documentation. The workshop provided a platform in disseminating information/knowledge, best practices, lesson learnt and problem solving. Further, the grantees were oriented on BTFEC's procurement processes; progress reporting (both

financial and technical). Currently, there are 20 BTFEC Funded, four GEF/World Bank funded, five small grants projects under implementation. Eight MB grants projects were recently approved.

The workshop provided an opportunity to:

- Discuss new developments at BTFEC (gender mainstreaming, target setting, Adaptation Fund, Bhutan for Life, Assessment of BTFEC, Evaluation of HANAs projects, PFPG)
- Present findings from Monitoring & Evaluation (M&E) visits by BTFEC
- Table and discuss challenges and experience faced by the grantees (project formulation, implementation completion reports, engaging Media)
- Have hands on training on technical report, financial reporting and procurement processes
- Discuss the need to Engage media during project implementation
- Orientation on Request for Proposal 2019
- Share experiences, lessons learnt and identify way forward





Some of the challenges highlighted at workshop were absence of broad-based stakeholder consultation during project/proposal planning/formulation, limited or no prioritisation of needs, lack of succession plan, numerous re-appropriation, not much focus been given to broader institutional capacity strengthening, lack of uniformity in project focal persons' Terms of Reference, lengthy process for Project Feasibility and Preparatory Grant, lack of coordination between the project focal and the financial officers, among others.

BTFEC recognises that it has the unique opportunity to look at the bigger picture of capacity issues of its grantees, needs and priorities at individual, institutional and systemic levels, and identify actions to address them in a cross-sectorial and synergic fashion.

Generically, the key outcomes to be accomplished through the Stakeholders' Workshop included:

- Establish common understanding on BTFEC project implementation process and procedures
- Gain knowledge through experience sharing among stakeholders
- Improve semi-annual progress reporting and documentations
- Improve project formulation skills

The workshop included presentations and group activities, which provided participants an opportunity to understand, discuss issues and challenges, share experience on project implementation completion reporting.

CIF SLM Training WORKSHOP

To strengthen the enabling environment for Sustainable Land Management (SLM) while ensuring broad-based political and participatory support for the process, involvement of the local leaders in mainstreaming it to the plans and policy is imperative.

Aligning to the CIF's requirement of Evaluation and Learning (E&L), a four-day training was organized to disseminate the updated SLM technologies to local leaders, farmers, and Dzongkhag Agriculture Officers of Wangdue, Tsirang and Dagana districts comprising 32 participants (refer Annexure for program and participants details). The participants had a hands-on-training on SLM technologies. It was an avenue for the participants to interact and have discussion on challenges and opportunities on how to mainstream SLM into gewog plans and policies.

The National Soil Services Centre (NSSC) under Department of Agriculture, Ministry of Agriculture and Forests has initiated and undertaken number of projects and programs to combat land degradation and bring vulnerable land under SLM, ensure sustainable agriculture and contribute to national food security, enhance rural livelihood, and conserve the environment. However, land degradation continues to be one of the environmental and social issues. SLM intervention was submitted to be considered as one of the flagship programmes to the Gross National Happiness Commission (GNHC) – the planning commission, however, the SLM didn't get to the flagship programme in the country's 12th Five Year Plan (FYP).

To ensure that the agricultural, forest and other terrestrial land uses of Bhutan are sustainable, productive systems that maintain ecosystem





productivity and ecological functions while contributing directly to the environmental, economic and social well-being of the country, training local leaders, the grassroots implementer of the planned FYPs – enhancing their capacity for assessing, monitoring and documenting land resources – is crucial. In the same time the participants are equipped with knowledge on best practices for promoting SLM in the country, develop project ideas, concepts for SLM and mainstream into the Gewog and Dzongkhag programmes, the local leaders were selected for the training.

At the training the participants learned about SLM technologies, understood the impact of SLM interventions through an on-site visit to Salamjee, Dagana Dzongkhag and discussed the importance of mainstreaming of SLM in Gewog plans and policies. The local leaders agreed to work in collaboration with the Extension Officers; include SLM in the Gewog plans and policies; and develop funding mechanism for SLM programmes and projects in their respective constituencies.





Developments in Governance and Secretariat

BT FEC has improved substantially in terms of its governance, grant-making, investment and financial management, and monitoring & evaluation practices. Further, by strengthening its human resources, BT FEC's program management and business operation has also further improved considerably over the years.

Change in the Management Board

We are fortunate to have many talented and passionate people serving on our Management Board – willing to share their time. Each person brings unique and valuable experience and expertise, as well as passion and set of skills that will help us achieve our goals as enshrined in the Royal Charter.



We enthusiastically and cordially welcomed four new Board members in the 2018-19 fiscal. Mr Kinzang Wangdi, Cabinet Secretary, joined BTFEC as Member of the Management Board, who was later elected as the Chairman of the Board

Our Management Board consists of six members who have powers of the management of the Trust Fund. During their three-year term, their responsibilities involve adopting appropriate investment policies, regulations, as well as guidelines, and delegating investment authority and responsibilities to the Asset Management Committee for general investment matters and to the Secretariat for investment operations. The Royal Charter 1996 fully entrusts the Board with the fiduciary mandate over the Trust Fund's financial endowment.

Secretariat

Capacity Development

Through the support grant of the Green Climate Fund, Climate Investment Fund and the Adaptation Fund, BTFEC staffs received trainings in areas of monitoring & evaluation, risk management,

environment and social – gender safeguards. Through the above funding, staffs also benefitted by availing exchange visit programs to learn from other countries on innovative financing, accreditation process, etc.

Consultancy

Development and refinement of BTFEC Program Operational Policies (PONs)

The PONs which consists of various BTFEC policies, frameworks and guidelines for the successful operation of its program, finance and secretarial functions, was further refined through two separate consultancies. The consultancies were carried out by local consultants, which was funded by GCF under its technical support grant.

As part of the GEF-WB Project which closed in December 2018, BTFEC conducted two consultancies in October 2018, namely (i) Assessment of BTFEC and (ii) Implementation Completion Report of GEF project. Both the consultancies were carried out independently by international consultants and successfully completed in December 2018.



COMMUNICATION AND PUBLIC ADVOCACY

As decided by the management board, the BTFEC advocacy fund was instituted in 2000 to provide visibility and garner donor support to enhance the existing BTFEC endowment fund. The BTFEC advocacy program focuses on three thematic areas: Enhance visibility of BTFEF through publicity; promote institutional conservation efforts and its impacts; create awareness through environmental advocacy. BTFEC used, all the available means of communications to reach its message to the wider audience including the television, print media, social media and inflight magazine. In the fiscal year 2018-19, a sum of Nu 1,544,539 was spent on advocacy.

Keeping our environment clean and green

Keeping in mind the vision of His Majesty The King: “Where we live must be clean, safe, organized and beautiful for national integrity, national pride, and our bright future. This too is Nation building,” the 13th Batch Desuup conducted mass cleaning campaign on 16 June, supported by BTFEC.

Around 100 De Suups and local residents took part in the cleaning area covering Ludrong Park, Langchuphaka, roads leading to crematory and either sides of the ThimChhu River leading to the crematory, Tendal Thang and behind Tashichhodzong, and collected 16 tons of waste.

The campaign was aimed at, firstly to help and support the government’s efforts to keep all places in the country clean and beautiful, and save government resources, and secondly to sensitize and educate people to be responsible citizen and contribute in keeping environment and, to create awareness to ensure safe and healthy living for present and future generations.



Environment Day, 4 June 2019

The National Environment Commission in coordination with Bhutan Trust Fund for Environmental Conservation and World Wildlife Fund – Bhutan commemorated the Environment Day on June 4th in honour of the birth anniversary of Her Majesty, The Gyaltsuen, Jetsun Pema Wangchuck, Royal Patron of the environment and Ozone Ambassador. In Thimphu, Environment Day was observed by cleaning-up of Chubachhu stream under the theme “My Waste My Responsibility.” The clean-up was coordinated to create awareness and build sense of responsibility in managing one’s own waste and also kick starts the implementation of Zero Waste Hour and National Waste Management Strategy launched by, and under the leadership of Her Majesty, The Gyaltsuen, Jetsun Pema Wangchuck. Various government offices, civil society organizations, hoteliers, private organizations and volunteers took part in the clean-up and clearing of bushes along the Chubachhu. The Day is also observed across the nation by various schools, offices, organizations and institutions.



BT FEC Supports Bhutanese journalists

Journalists’ Association of Bhutan (JAB) presented awards to 34 journalists at its Annual Journalism Awards (AJA) in Thimphu. The event was attended by more than 130 individuals including journalists, public officials and representative of the event sponsors. The awards recognised their exceptional contributions. Of the 34 awards, two awards for the Environment Story of the Year (English and Dzongkha) was sponsored by Bhutan Trust Fund for Environmental Conservation. The Environment Story of the Year, English was won by Ugyen Penjor. The story was titled “The night guards of Laphuna” and the Dzongkha was won by Kelzang Wangchuk for the story “The History of Scared Cliff, Rongtse Nyeri Sum” Both the winners are from Kuensel.





BT FEC supports Biodemocracy: Building Socioeconomic and Environmental Resilience

The Bhutan Trust Fund for Environmental Conservation (BT FEC), as part of its advocacy, supported one-day conference titled above, held on 19 June 2019 in Thimphu. The key message that the conference carried for BT FEC and its visibility was:

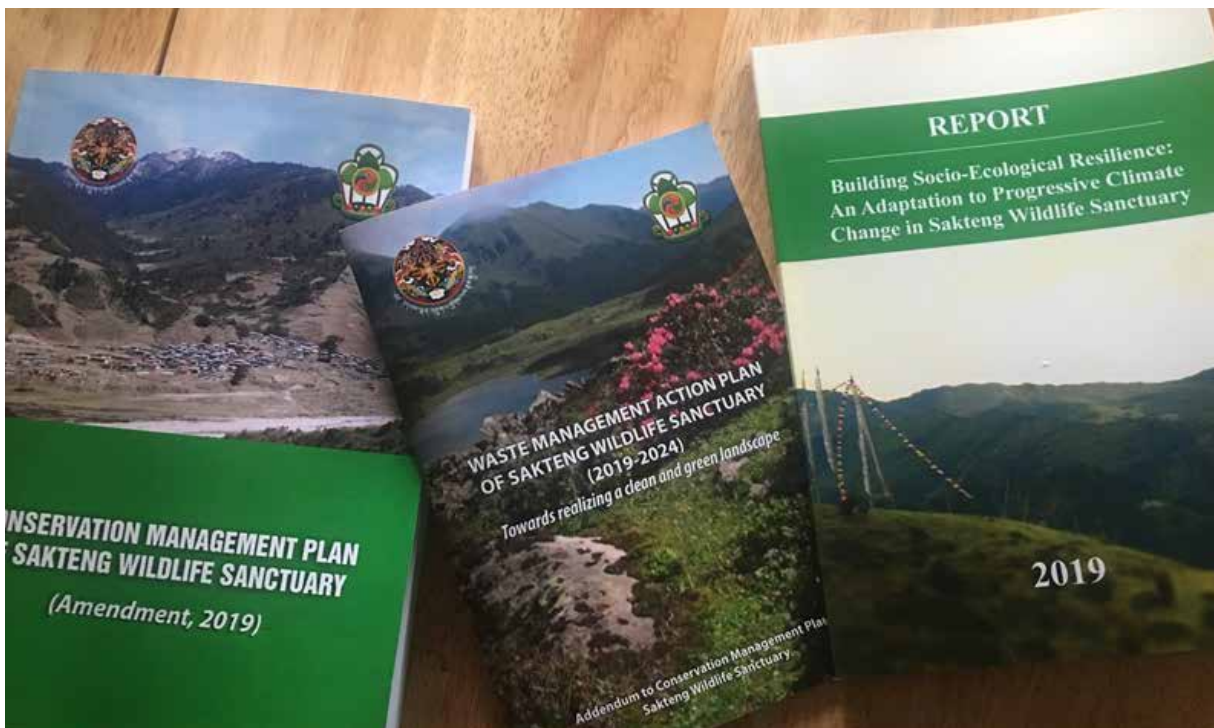
“Integrating environmental conservation into democratic process.” The Center for Local Governance & Research, a local firm in collaboration with the Centre for the Study of Democracy, University of Westminster conducted the workshop. Most of the 111 participants comprised of teachers coming from different parts of the country.

The workshop emphasized on environmental lessons from Bhutan and deliberated upon what can be done to further prepare to be more resilience for the twin environmental and developmental challenges of the future.

Participants from varying background – scholars policymakers, professionals, businesspersons, parliamentarians, teachers, entrepreneurs, citizens active in media, non-governmental and civil society sector, students – came together to think about these challenges, share knowledge, experience and learning in a cooperative and non-partisan environment. It was a good platform for BT FEC to reach out to these audiences.



Members of BTFEC attending three-day in-house training on environmental and social screening dashboard, as it seeks accreditation as national implementing entity of GCF and other international agencies.



Coinciding with the Birth Anniversary of Her Majesty The Gyaltsuen, on this World Environment Day, BTFEC is pleased to announce the publication of three reports by Sakteng Wildlife Sanctuary. On this auspicious day we reiterate our commitment to take further effective measures and actions, in conformity with the Royal Charter, in regrant-making for environmental conservation.



A Grant Agreement was signed, between Bhutan Trust Fund for Environmental Conservation (BT FEC) and Thimphu Territorial Division, Department of Forests and Park Services for the project "Land Conservation, Landscaping and Installation of Waste bins at the Royal Takin Preserve". Under this project, BT FEC will be providing a total grant of Nu 400,000 to procure and install 10 waste bins, and beautify the landscape, protect it from landslide at the Royal Takin Preserve in Thimphu.



"It is our collective responsibility to ensure that where we live remain clean, safe, well organized, and beautiful, for all times to come," His Majesty The King



Officials from Three Ranges and Park HQ of the Phrumsengla National Park underwent three days training on Chemical Immobilization and Wildlife Rescue at the Park Headquarters, Ura: Bumthang. The training is being conducted by Nature Conservation Division of the Department of Forest and Park Services, Ministry of Agriculture and Forests with funding support from BTFEC. Similar trainings were imparted to officials of other Parks, Wildlife Sanctuary and Nature Reserves.



BTFEC has been partnering with RSPN Bhutan in conservation of Critically Endangered White-bellied Heron (2015-2022)



BT FEC has committed financial assistance of up to US\$ 7,000,000 to the Royal Government of Bhutan. The BT FEC provides this amount for program financing of Bhutan For Life as a 'project finance for permanence' in Protected Areas of Bhutan. This is as a support to contribution over the 14 years for the Royal Government of Bhutan.



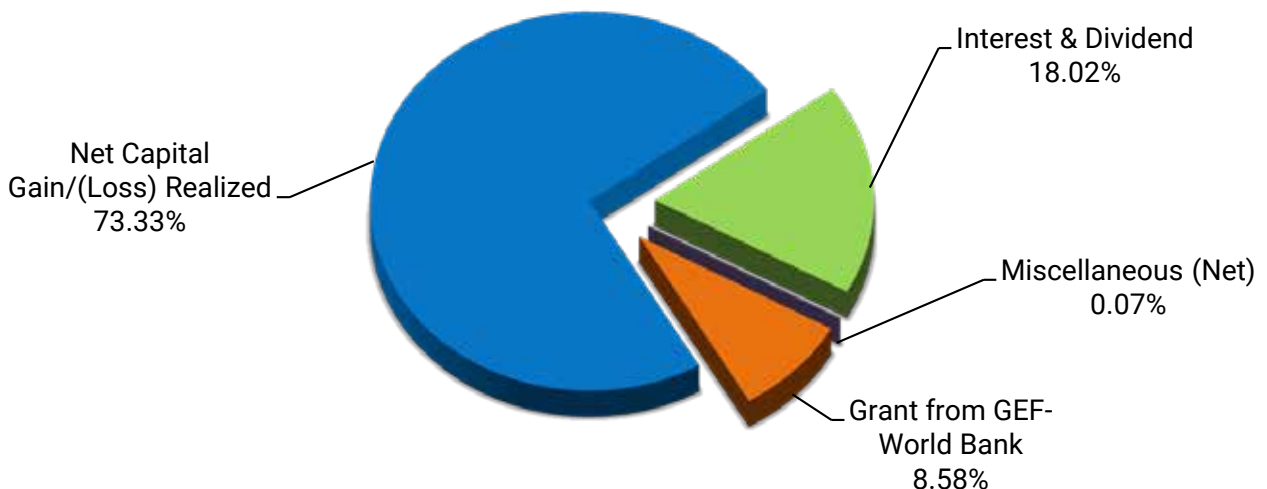
Ms Nathalie Weier Johnson, Task Team Leader & Senior Environmental Specialist, of the World Bank visited BT FEC for the post evaluation review of the Global Environment Facility (GEF)-World Bank funded project Sustainable Financing for Biodiversity Conservation & Natural Resource management (SFBCNRM) implemented by Bhutan Trust Fund for Environmental Conservation (BT FEC), Ministry of Agriculture and Forests, in collaboration with Gross National Happiness Commission, as part of High Altitude Northern Areas (HANAs) project.

FINANCIAL REPORTS

HIGHLIGHTS ON FINANCIAL ACHIEVEMENT FOR THE FY2018-19

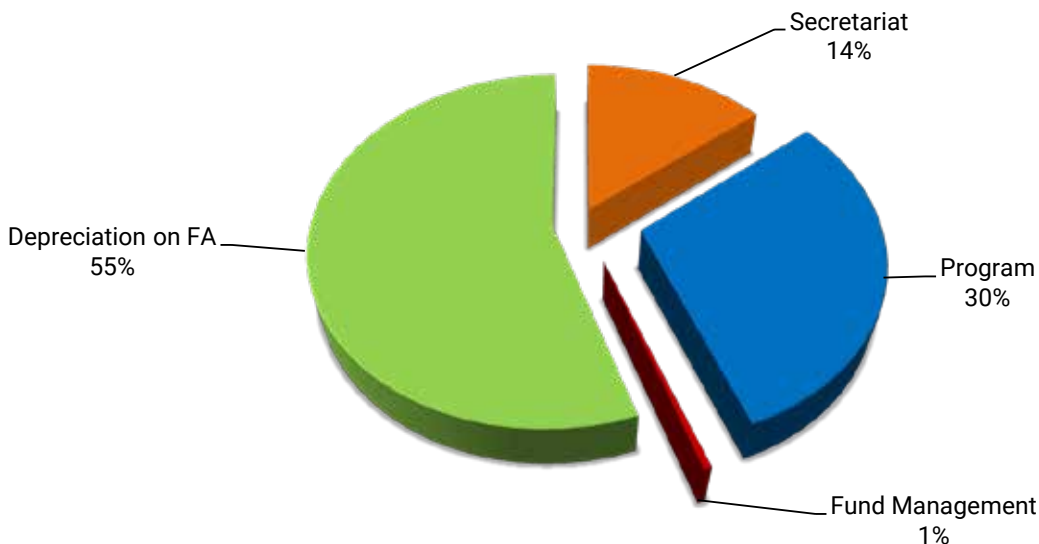
The Bhutan Trust Fund for Environmental Conservation saw another progressive year in its growth of assets. The financial position of the Secretariat as at 30 June 2019 at book value was USD 57,674,195 showing an increase by USD 4,198,053 (7.85%) from end of FY 2017-18. The total revenue of USD 6,304,545 during the FY 2018-19 showing 93% increase compared to FY 2017-18. Revenue has been earned through investment returns and grant from GEF World Bank. The highest revenue was generated through sale of equities amounting to USD4,623,010.48 contributing to the total revenue by 73.33%. Earnings on equities and savings was USD 1,135,990.17 contributing 18.02% to the total revenue. Contribution from GEF- World Bank for FY 2018 -19 was USD 541,038.48 (8.58%) in the form of grant. Remaining 0.07% amounting to USD 4,506.03 has been earned as miscellaneous income.

Revenue FY 2018-19



The BTFEC saw a decrease in the total expenditure for the FY 2018-19 by USD 395,130 from FY 2017-18 amounting to USD 1,595,229 due to limited number of grant proposals received during RFP cycle for FY2017-18. Expenditure was incurred on 4 different areas. 65% of the total expenditure for FY 2018-19 has been spent on Program (funding conservation activities) amounting to USD 1,032,081.49 followed by Secretariat (Project Management overhead cost) amounting to USD 502,554.27(31%). 4 % of the total expenditure has been incurred on Custodial fees 1% (USD 12,968.85) and Depreciation on fixed Assets 3% (47,624.39).

Expenditure FY 2018-19

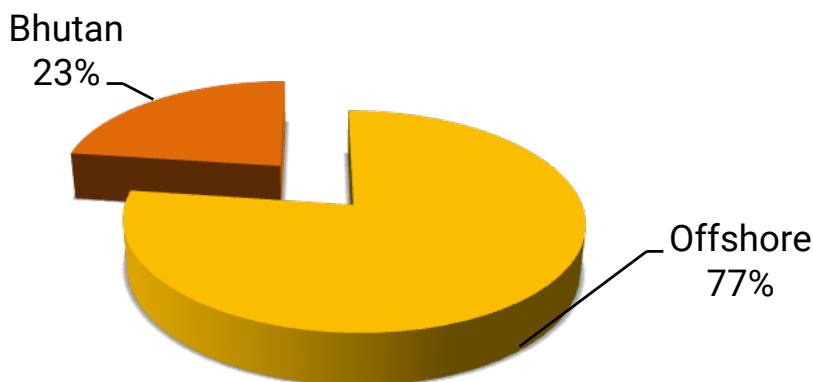


Investment Portfolio Performance:

Overall Portfolio: Total return from the overall portfolio during the period was 24.88 percent. Total overall portfolio value increased from previous year end value of \$67,012,026 to \$72,436,285 as of 30th June 2019. Total cash outflow was \$848,146.

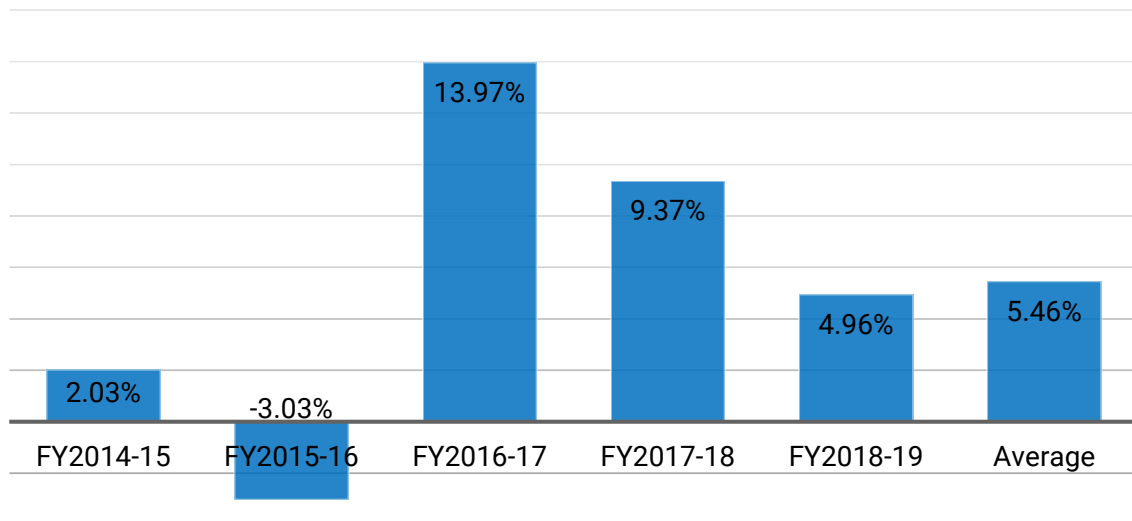
Geographic portfolio allocation at 77% in the offshore portfolio and remaining 23% was in Bhutan portfolio as shown in the chart below:

Asset Allocation as of 30 June' 19



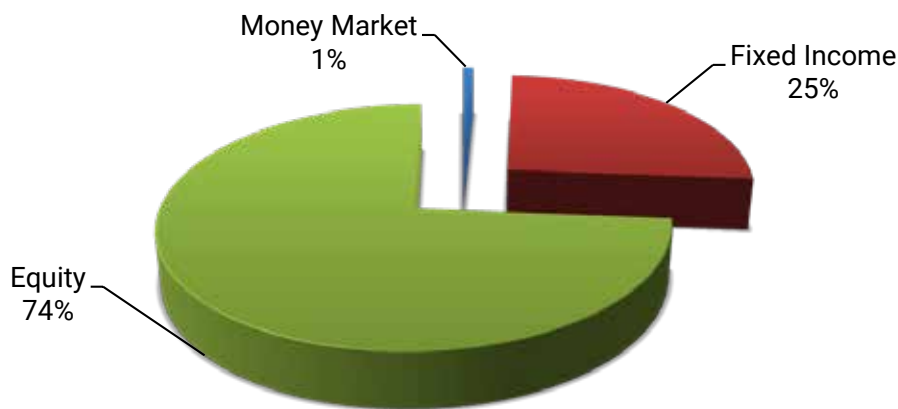
Offshore Portfolio: The total return from the portfolio for the FY2018-19 period was 4.96 percent. However, the market value decreased from previous year end value of \$58,014,244 to \$55,876,601, due to withdrawal of \$5,012,611 for currency swap with RMA and custodial fees directly deducted by the custodian bank. There was no cash inflow during the year. Total annual return from the offshore portfolio for past five years shown below:

Total Annual Return

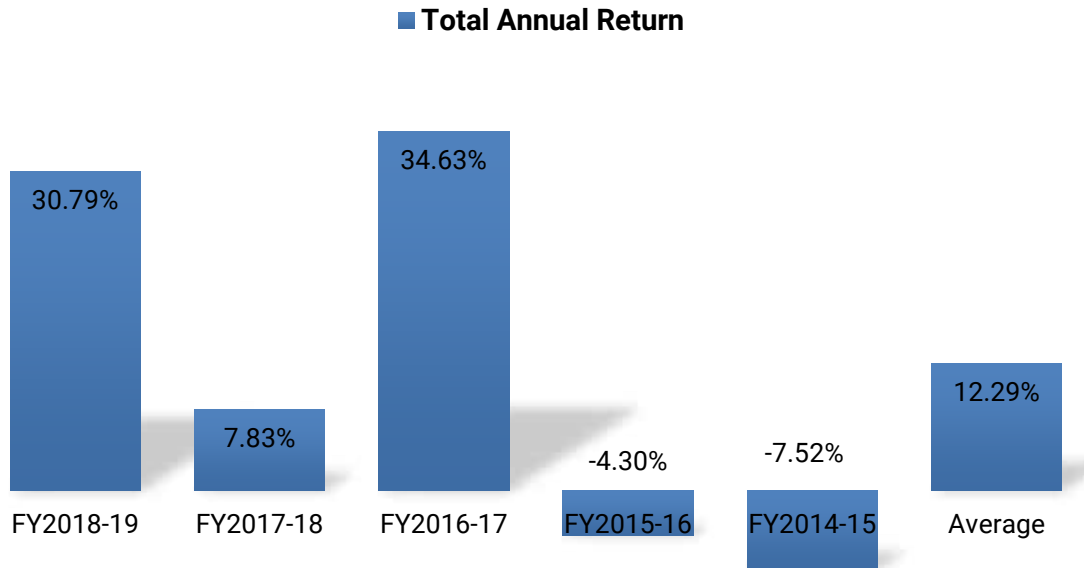


Asset allocation as of 30th June 2019 was 26% in money market and short-term bond funds and 74% in equity mutual funds as shown in the chart below:

30 June' 19

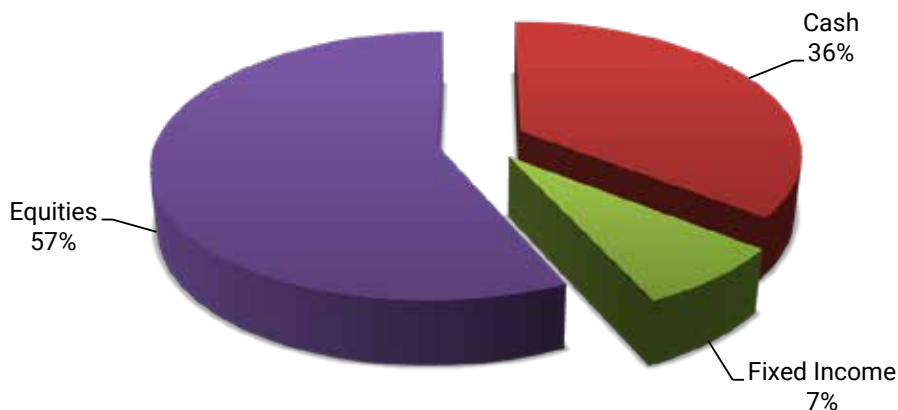


Bhutan Portfolio: During the same period total return from Bhutan portfolio was 30.79% (Nu.22.25%). Portfolio market value increased from previous year end value of \$9,486,614 to \$16,559,684. Increase in portfolio value was attributed mainly due to \$5,000,000 withdrawn from the offshore portfolio for currency swap with the RMA and partly from currency exchange rate. Total cash outflow was \$848,146 for program disbursement and secretariat expenses. Total Annual Return for the past five years is as shown in the chart below:



The Asset allocation as of 30th June 2019 was 43% in cash, fixed deposits and bonds and 57% in equity shares of 7 companies.

Asset allocation as of 30.06.2019



AUDITED FINANCIAL REPORTS

Statement of Revenue and Expenditure for the Fiscal Year Ending 30 June, 2019

USD (rounded)

	<u>Notes</u>	<u>2018-2019</u>	<u>2017-2018</u>
REVENUE			
Interest & Dividend	I	1,135,990	1,172,779
Net Capital Gain/(Loss) Realized		4,623,010	1,463,300
Grant from GEF-World Bank		541,038	635,918
Miscellaneous (Net)		<u>4,506</u>	<u>2,833</u>
TOTAL REVENUE		6,304,545	3,274,830
 EXPENDITURE			
Secretariat	II	502,554	399,330
Program	III	1,032,081	1,551,929
Fund Management/Advisory	IV	12,969	12,913
Depreciation on Fixed Assets	V	47,624	26,187
TOTAL EXPENDITURE		<u>1,595,229</u>	<u>1,990,359</u>
<i>Excess Revenue over Expenditure</i>		<u>4,709,316</u>	<u>1,284,470</u>
Opening Accumulated Excess Revenue over Expenditure		33,978,981	32,694,511
Closing Accumulated Excess over Revenue		<u><u>38,688,297</u></u>	<u><u>33,978,981</u></u>


 Director
 Secretariat
 Bhutan Trust Fund for
 Environmental Conservation




 Chief Financial Officer
 Secretariat
 Chief Finance Officer
 Bhutan Trust Fund for
 Environmental Conservation

Balance Sheet as at 30 June 2019

USD (rounded)

ASSETS	Notes	2018-2019	2017-2018
<i>Current assets</i>			
Cash in Hand & Bank	VI	16,136	380,418
Receivables and Prepayments	VII	101,778	169,933
Fund Balances	VIII	161,935	521,643
<i>Total current assets</i>		<u>279,849</u>	<u>1,071,994</u>
<i>Fixed Assets:</i>			
Fixed Assets (Net)	V	<u>184,500</u>	<u>111,153</u>
<i>Investments</i>			
Investment at cost	IX	58,944,858	53,891,132
Less: RSPN Endowment Fund		(1,735,013)	(1,598,137)
<i>Investment (Net)</i>		<u>57,209,846</u>	<u>52,292,995</u>
TOTAL ASSETS		<u>57,674,195</u>	<u>53,476,142</u>
LIABILITIES			
<i>Current liabilities</i>			
Expenses Payable	X	17,816	519,989
Recoveries/Remittances	XI	31,426	(5,128)
<i>Total current liabilities</i>		<u>49,242</u>	<u>514,860</u>
<i>Capital & Reserves</i>			
Capital Contributions	XII	21,575,325	21,542,631
Accumulated excess of revenue		33,978,981	32,694,511
Excess of revenue for the Period		4,709,316	1,284,470
Reserves on valuation of Fixed Assets		2	2
Reserves for (Gain/Loss) FOREX Translation		(2,638,671)	(2,560,332)
<i>Total Capital & Reserves</i>		<u>57,624,953</u>	<u>52,961,282</u>
TOTAL LIABILITIES, CAPITAL & RESERVES		<u>57,674,195</u>	<u>53,476,142</u>


 Director
 Bhutan Trust Fund for
 Environmental Conservation
 Secretariat




 Chief Financial Officer
 Secretariat
 Bhutan Trust Fund for
 Environmental Conservation

Notes to financial statement
30 June 2019
 USD (rounded)

Schedule I:

A: Offshore Investment Income	2018-2019	2017-2018
Interest Income Offshore	259,435	196,406
Money Market Income Offshore	4,070	3,586
Dividend Income Offshore	457,440	456,813
<i>Sub-total</i>	<u>720,945</u>	<u>656,805</u>
B: Local Investment Income		
Dividend Income Local	198,725	295,537
Interest Income Local	216,320	220,437
<i>Sub-total</i>	<u>415,045</u>	<u>515,974</u>
Total (A+B)	<u>1,135,990</u>	<u>1,172,779</u>
C: Capital Gain Realized		
Capital Gain Realized-Offshore	4,603,423	1,463,300
Capital Gain/loss Realized-Project Equipme	521	-
Capital Gain/loss Realized- Equipments	(246)	-
Capital Gain/loss Realized- Furnitures	116	-
Capital Gain/loss Realized- Vehicles	19,197	-
<i>Sub-total</i>	<u>4,623,010</u>	<u>1,463,300</u>
Total (A+B+C)	<u>5,759,001</u>	<u>2,636,079</u>


 Director
 Bhutan Trust Fund for
 Environmental Conservation




 Chief Finance Officer
 Bhutan Trust Fund for
 Environmental Conservation

Schedule-II

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION
Notes to financial statement
30 June 2019

Expenditure Statement of Secretariat For The Fiscal Year 2018-2019

USD (rounded)

Expenditure Head	<u>2018-2019</u>	<u>2017-2018</u>
<i>Recurrent:</i>		
Personnel Emoluments	126,842	120,992
Other P. Emoluments	10,376	6,355
Medical Benefits	4,530	-
Travel (in-country)	11,199	12,499
Travel (abroad)	66,866	6,546
Utilities-Tele, Fax, etc.	10,867	10,629
Utilities-Postage/Bank Charges	504	282
Utilities- Electricity	768	1,242
Utilities- Water & Sewerage Charges	26	61
Rental of Others	58	109
S & M - Stationery, Printing, Office Supplies	2,871	4,010
S & M - Subscription to International Journals	67	884
S & M - Library	321	-
S & M - Uniform, Extn. Kits	2,748	3,850
Maintenance of Properties-Building	5,946	1,764
Maintenance of Properties-Vehicle	8,280	8,423
Maintenance of Properties-Equipment	539	68
Maintenance of Properties-Computers & Peripherals	1,214	366
Maintenance of Properties-Office Campus	-	6
Operating Expenses - Advertisement	590	1,071
Operating Expenses - Incountry Seminar/W-shop	2,011	4,086
Operating Expenses -Web Hosting	29	-
Hospitality & Entertainment	8,050	9,625
Subscription to International Organization	1,257	517
PF-Employers Contribution	10,378	9,771
Retirement Benefits	-	1,963
<i>Total Recurrent</i>	<u>276,337</u>	<u>205,118</u>
<i>Non-recurrent:</i>		
Write Off-Stock, Loss or Cash/Goods	37,474	-
BTSEC's Environmental Advocacy & Publicity	22,093	29,342
Training - Human Resources Development	875	-
Professional Fees	8,377	-
Silver Jubilee Celebration	-	12,392
<i>Total Non-recurrent</i>	<u>68,819</u>	<u>41,734</u>


 Director
 Bhutan Trust Fund for
 Environmental Conservation




 Chief Finance Officer
 Bhutan Trust Fund for
 Environmental Conservation

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION
Notes to financial statement
30 June 2019

Expenditure Statement of Secretariat For The Fiscal Year 2018-2019

USD (rounded)

Enhancing the Operational Effectiveness of BTFEC

Other P. Emoluments	2,417	5,437
Travel In-country)	381	623
Travel (abroad)	4,223	36,915
Utilities-Postage/Bank Charges	1	3
S & M: Office Supplies	140	65
Operating Expenses - Advertisement	94	-
Operating Expenses - Incountry Seminar/W-shop	36,102	42,118
Hospitality & Entertainment	147	-
Write Off-Stock, Loss or Cash/Goods	1,053	-
PF-Employers Contribution	208	431
Expenditure on Structure-Others	2,366	1,139
Training - Human Resources Development	26,764	34,134
Professional Fees	83,318	31,615
BTFEC's Environmental Advocacy & Publicity	184	-
<i>Total Component 1 & 3 of SFBC&NRM</i>	<i>157,398</i>	<i>152,479</i>
Total	502,554	399,330



Schedule-III

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION

Program Expenses For The Year Ending 30 June, 2019

USD (rounded)

Grant Title	Grant No.	2018-2019	2017-2018
Conservation of Native Tree Species Through Nursery Develp.	MB0134Y14	-	5,214
WBH Recovery Plan. Royal Society for Protection of Nature, T	MB0156Y15	-	99,986
Up-scaling SLM to Combat Land Degradation and CC Mitigation	MB0159Y15	-	53,981
Trial Intro of GLTT and EA of Glulam structures in BHT, R/A	MB0162Y15	-	32,112
Dev of compact and appropriate onsite sanitation technology(CST)	MB0167Y16	95,908	37,248
Fish Fauna Assessment -Nyera Ama Chhu-NCWFC, Haa	MB0168Y16	60,838	55,182
Enhance the management effectiveness of JKSNR	MB0169Y16	81,816	47,623
Strengthening Environmental Auditing-RAA	MB0170Y16	10,522	49,738
Research and Development in Electric Fence Designs	MB0171Y17	14,703	24,708
Conservation and Sustainable Use of Indigenous Flora-Floriculture	MB0172Y17	66,201	17,576
Enhancing community capacity or Biodiversity Conservation-RDTC	MB0173Y17	29,258	23,015
Working towards achieving Land degradation neutral status- NSSC	MB0174Y17	33,263	30,614
Strengthening Natural and Biosecurity and Food Safety	MB0175Y17	-	41,770
Improving Rangeland Governance and Leveraging Yak Value Chains-DOL	MB0176Y17	48,143	44,812
Conservation and Promotion of Native Poultry Breeds of Bhutan	MB0177Y17	10,582	62,213
National Rollout for SMART Patrolling Program	MB0178Y17	-	13,279
Scientific Study on the ecology of small felids in RMNP	MB0179Y17	8,192	30,076
Study the ecology and Conservation of Spotted deer,PWS	MB0180Y17	5,322	13,038
Rehabilitation of degraded watershed-Eutok Gonpa and Dra karmo	MB0181Y17	10,003	11,459
Zero Waste in S/Jongkhar & Trashigang	MB0185Y17	15,785	8,964
Building Socio-Ecological Resilience in SWS	MB0186Y17	19,716	82,809
Introduction of ES in Class XI & XII	MB0187Y17	-	76,397
Samazingkha Agroforestry	MB0188Y17	27,348	185,728
Develop Cons. Mgt. Plan for BC5 & Hotspot Mapping of HWC-P/g	MB0189Y17	44,587	-
Dev. Climate Resilient Communities (Adaptation & Mitigation)	MB0190Y17	133,668	-
Cons. Of Balck Necked Crane in Bumthang-Bumthang Territorial	MB0191Y17	23,817	-
Construction of 3Rs collection Center, Thimphu Thromde	SC0128Y14	-	2,244
Development of Waste Disposal Facilities for Lamgong Town	SC0138Y17	-	3,121
Ensure Health & Hygiene of monks through environment Conservation	SC0144Y17	5,402	-
Sustainbale NWFP Management of Sektana Gakiling Gewog	SC0145Y17	-	5,854
Prevention of Forest fire through Media Advocacy & Awarness	SC0146Y17	-	6,038
4th Annual Research Symposium(BES)	SC0147Y17	-	3,692
Nursery Dev. and Landscaping Edu. Programme for students at	SC0148Y17	4,353	-
Population status and diet of Sympatric Hornbills in Jomotsa	SC0149Y17	2,161	-
School Environment Program,Changangkha Middle Secondary Scho	SC0150Y17	4,187	-
Study and display of Wild Orchid during Flower Exhibition fo	SC0151Y17	2,926	-
Reduced waste and its implication through waste management s	SC0151Y18	5,762	-
Training of Focal leaders for Scout Env. Program from all dz	SC0152Y18	5,396	-
Improving Resilience and Facelift Key touristic Sites of Cho	PF0001Y19	1,970	-
Enhancing social responsibilities on Tiger Conservation-Zhemg	PF0002Y19	2,151	-
Protection of watershed to have reliable drinking water sour	PF0003Y19	2,177	-
<i>Total Program Expenses (BTPEC)</i>		<u>776,157</u>	<u>1,068,490</u>
Strengthening Resource Monitoring, Patrolling & Service Delivery	MB0138Y14	12,544	32,866
Sustainable Mgmt. of Res. Integrated Participation	MB0146Y15	4,516	58,999
Enhance Biodiversity Database in WCP-II	MB0147Y15	-	10,987
Bio-diversity Conservation and Sustainable Use	MB0151Y15	-	22,144
Integrated Wildlife Management for Sustainable Biodiversity	MB0182Y17	77,459	129,195
Antipoaching of Musk Deer-Ensuring their conservation,WCPN	MB0183Y17	49,701	158,434
Enhancing the conservation of Bhutan Takin, NCD	MB0184Y17	2,304	70,814
GEF fund balance Utilization(NCD & JDNP)	MB0000Y19	109,401	-
<i>Total Program Expenses (HANAs)</i>		<u>255,925</u>	<u>483,439</u>
Total Program Expenses		<u>1,032,081</u>	<u>1,551,929</u>

Schedule IV:

Fund Management Expenditure

Custodian Fees

Total Fund Management Expenditure

[Signature]
Director
Bhutan Trust Fund for
Environmental Conservation



[Signature]
Chief Finance Officer
Bhutan Trust Fund for
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	2018-2019	2017-2018
Custodian Fees	12,969	12,913
Total Fund Management Expenditure	12,969	12,913

Schedule V

Depreciation Table for FY18-19 (amount in USD)

ROE/\$ 68,9180

Particulars of Assets	Gross Block as on 30.6.18 US\$		Addition during the Year US\$		Adjustments during the Year US\$		Ex. Rate Gain/(Loss) US\$		Gross Block as on 30.6.19 US\$		Accumulated as on 30.6.18 US\$		During the Year US\$		Depreciation Adjustments US\$		Ex. Gain US\$		Accumulated as on 30.6.19 US\$		Net Block as on 30.6.19 US\$		Net Block as on 30.6.18 US\$		Estimated Scrap Value US\$			
Land: (No Depreciation):	1		-	-	-	-	0		1																			
Building: (2%.50 years,10%):	67,504		-	-	-	336		67,169	6,285	1,209																		
Equipment (20%),5 years,5%:	94,171		20,978	-	15,215	-	364		99,570	65,900	16,295																	
Computer Software (20%),5 years,0%:	64,802		-	-	-	322		64,480	53,232	9,689																		
Furniture (20%),5years,5%:	19,113		4,029	-	3,264	-	115		19,763	14,745	2,302																	
Vehicle (20%),5years,10%:	57,231		94,902	-	22,315	-	4,804		134,623	51,508	18,129																	
Total	302,823		119,910	-	40,794	-	3,668		385,606	191,670	47,624																	



Chief Finance Officer
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Director
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Notes to Financial Statement

30 June 2019

USD (rounded)

Schedule VI:

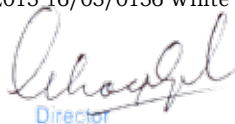
	2018-2019	2017-2018
Cash in Hand/Bank		
Petty Cash Account	103	147
Bank Account 17912011	11,872	15,864
Bank US\$ Account 17912003	4,161	4,161
GEF CD0000066928016	-	360,246
Total	16,136	380,418

Schedule VII:

	2018-2019	2017-2018
Receivables and Prepayments		
Advance to Employees	48,735	86,670
Advance to Suppliers	557	618
Advance to Others	52,486	82,631
Prepaid Expenses	-	15
Total	101,778	169,933

Schedule VIII:

	2018-2019	2017-2018
Fund Balances with Implementing Agencies		
Ministry of Education	-	6,951
Dept. of Forestry Services MoA	-	6,194
MB0179Y17 Scientific Study on Ecology of small field RMNP .	1	1,235
Gross National Happiness Secretariat	-	23,024
Royal Society for Protection of Nature	11	11
MB0180Y17 Scientific study of spotted Deer & others PWS .	8	2,966
MB0167Y16 Dev. of Wastewater Treatment Technology CST .	19,446	116,870
MB0168Y16 Fish Fauna Assessment Central & Western region .	291	27,560
MB0169Y16 To enhance Management effectiveness of JKSNR.	50,595	55,046
MB0170Y16 Strengthening Environmental Auditing RAA	4,118	14,845
MB0173Y17 Enhancing Community capacity for Biodiversity Cons	5,904	16,137
MB177Y17 Conservation and Promotion of Native Poultry	23,304	2,261
MB176Y17 Improving Rangeland Governance and Leveraging Yak	26,781	44,958
MB174Y17 Working towards achieving land degradation neutral	7,319	2,373
MB189Y17 Develop cons. mgt. plan for biological corridors	7	-
MB172Y17 Cons. & Sustainable Use of Indigenous Flora.	4,643	8,201
MB0171Y17 Research & Development in Electric Fence Designs	1,503	-
MB182Y17 Integrated Wildlife Mgt. for Sus.Bio. Cons. BWS	0	52,084
Mb184Y17 Enhancing the Cons. of Bhutan Takin WCD	-	1,322
MB188Y17 Samazingkha Agroforestry project	6,767	34,308
MB185Y17 Zero Waste Project S/jongkhar & T/gang Lhomon Socie	5	1,852
MB187Y17 Introducing EVS in Cl. XI & XII REC	-	5
SC144Y17 Ensure health & Hygiene through conservation Beylang	-	4,418
SC151Y17 Study and display wild orchid during Flower Show	-	2,917
MB190Y18 Dev climate resilient communication Tarayana Foun.	8,256	-
MB191Y18 Cons. of Black Necked Crane in Bumthang	2,975	-
SC150Y17 School Environment Management Program	-	3,383
SC149Y17 Population status and Diet of Hoenbill in JWS	-	1,750
SC148Y17 Nursery Development and Landscaping Royal Academic	-	3,500
MB0132Y13 Estbl. of Rural Live stock Insurance Scheme WCD .	-	14,583
MB0138Y14 SMART Patrolling & Service delivery of JDNP.	-	12,607
MB183Y17 Release of Anti poaching of Musk Deer WCNF	-	14,759
MB0146Y15 Release for Sustainable mangement	-	30,121
MB0149Y15 Estbl. of knowledge base for invertebrates in Bhut	0	0
MB/2015 16/05/0159 Up Scaling Sustainable land mgt.to combat	-	15,408
MB/2015 16/05/0156 White Bellied Heron Recovery Plan	-	(5)
Total	161,935	521,643


Director





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Bhutan Trust Fund for
Environmental Conservation

Notes to Financial Statement
30 June 2019
USD (rounded)

Schedule VI:

Cash in Hand/Bank	2018-2019	2017-2018
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Schedule IX:**BTF Portfolio****Foreign Investment**

	2018-2019	2017-2018
Money Market US Bank Money Market Mmda It&c	436,623	378,742
Fixed Income Vanguard Short Term Bond Index Inv	5,442,600	5,332,539
Fixed Income JP Morgan Short Duration Bond SI	8,888,609	8,723,953
Equity Mutual Funds Jensen Portfolio Inc Fund	4,091,567	3,614,258
Equity Mutual Funds Dodge & Cox Stock Fund	4,396,276	3,789,112
Equity Mutual Fund Matthews Asian Growth & Income Fund	5,801,992	5,301,713
Equity Mutual Fund Matthews Pacific Tiger Fund	5,308,713	5,043,706
Equity Mutual Fund Matthews China Fund	2,258,241	1,961,564
Equity Mutual Fund Voya Midcap Opportunitys W	6,776,055	5,877,505
Equity Mutual Fund Primecap Odyssey Growth Fd	1,058,013	4,244,341
Equity Mutual Fund Vanguard Health Care Adm	890,640	804,582
Equity Mutual Fund Red Oak Technology Select	849,214	805,461
Others Driehaus Emerging Mkts Growth Fund	603,348	575,987
U.S. Equities Vanguard Small Cap Indexed Fund	2,962,170	2,914,045
International Equities Dodge & Cox Stock Fund	635,014	614,416

Total Offshore Portfolio **50,399,075** **49,981,924**

Local Investment

Ngultrum Trading Account	5,892,756	951,572
Royal Insurance Corpn. of Bhutan Ltd.	73,972	74,342
Penden Cement Authority Ltd.	85,470	85,897
State Trading Corpn. of Bhutan Ltd	19,052	19,147
Bhutan Calcium Carbide Ltd.	234	236
Bhutan National Bank Ltd.	1,217,840	1,223,926
Dungsam Plymers Ltd.	77	77
Druk PNB Bank Limited	74	74
T Bank Limited	1,049	754
Fixed Income D PNB Bank Bond 7yrs	-	291,650
Fixed Income RICBL Bond Series III 7 yrs Jan 14 2021	725,500	1,232,222
Fixed Income RICBL Bond Series IV 7 yrs May 27 2022	29,165	29,311
Fixed Income RSA private Bond Series I 7 Year 25Jan'24	500,595	-

Total Local Portfolio **8,545,783** **3,909,208**

Total BTF Investment Portfolio

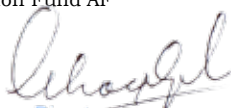
58,944,858 **53,891,132**

Schedule X:**Accrued Expenditure & Other Payables:**

	2018-2019	2017-2018
Accrued Expenses Paybles	17,816	20,813
GEF-WB Fund, GEF GRANT-SFBCNRM-COMPONENT-1	-	193,294
GEF-WB Fund, GEF GRANT-SFBCNRM-COMPONENT-2	-	317,410
GEF-WB Fund, GEF GRANT-SFBCNRM-COMPONENT-3	-	(11,529)
Total	17,816	519,989

Schedule XI:**Recoveries/Remittances:**

	2018-2019	2017-2018
Tax Deducted at Source	54	54
Earnest Money Deposits	22	22
Retention Money	2,806	2,820
NRED Fund	2,969	2,984
Sustainable Development Secretariat GNHC	-	(82)
Climate Investment Fund CIF	452	(10,926)
Green Climate Fund GCF	6	-
Adaptation Fund AF	25,117	-
Total	31,426	(5,128)


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Notes to financial statement

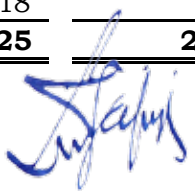
Schedule XII.

Statement of Capital Contribution as of 30 June 2019 (US\$ rounded)

	2018-2019	2017-2018
The World Bank - GEF	10,000,000	10,000,000
Government of Norway	2,688,435	2,688,435
Government of Switzerland	2,586,207	2,586,207
Government of the Netherlands	2,454,500	2,454,500
Government of Denmark	2,334,418	2,334,418
World Wildlife Fund; Inc.	1,000,000	1,000,000
Government of Finland	66,312	66,312
HWCF Contribution	271,635	238,941
Royal Government of Bhutan	173,818	173,818
Total	21,575,325	21,542,631


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