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Reporting on Economy, Efficiency & Effectiveness in the use of Public



AIN: GCD-2024-4

**FINANCIAL AUDIT REPORT
OF
THE BHUTAN TRUST FUND FOR ENVIRONMENTAL
CONSERVATION**

PERIOD: 01/07/2022 TO 30/06/2023

MARCH 2024



"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."
- His Majesty King Jigme Khesar Namgyel Wangchuck

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Website: www.bhutanaudit.gov.bt | Email: info@bhutanaudit.gov.bt



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ROYAL AUDIT AUTHORITY

Bhutan Integrity House

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



RAA/GCD/AR/05/BTFEC/2023-24/1578

Dated:05/03/2024

The Managing Director
Bhutan Trust Fund for Environmental Conservation
Thimphu

Subject: Financial Audit Report of Bhutan Trust Fund for Environmental Conservation for the period 1st July 2022 to 30th June 2023

Sir,

Enclosed herewith, please find the audited **financial statements and auditors' report** thereon in respect of the Bhutan Trust Fund for Environmental Conservation for the financial year ended 30th June 2023 along with the **Audit Findings & Recommendations**. The audit was conducted as required under the Audit Act of Bhutan 2018, and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

Auditor's Report on the Financial Statement

As may be noted from the auditors' report, the financial statements are prepared by the management, in all material respects, in accordance with Financial Rules and Regulations 2016. Accordingly, the RAA has expressed unmodified (clean) opinion on the financial statements.

Audit Findings and Recommendations

The auditors' review of the accounting records, internal controls and operations of the Bhutan Trust Fund for Environmental Conservation revealed some deficiencies and lapses which are detailed in **Part I** of the main report along with recommendations, which also forms part of the audited financial statements for the year ended 30th June 2023.

The RAA has reviewed the replies furnished by the BTFEC and incorporated in the report. Out of nine (09) audit findings, seven (07) audit findings were settled in view of replies and related supporting documents, recovery made and evidences furnished, which are reported under **Part II (Management Appraisal Report)** for future reference and compliance.

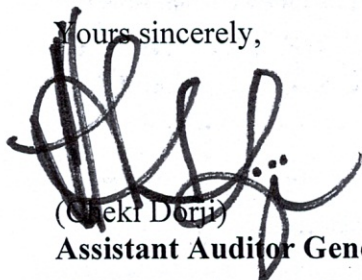
The BTFEC is requested to review the deficiencies and lapses pointed out and institute appropriate check and balance systems to curb such lapses in future. The Royal Audit Authority would appreciate receiving an Action Taken Report (ATR) **within one month** from the date of issue of the report.

"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."

- His Majesty King Jigme Khesar Namgyel Wangchuck

The Royal Audit Authority acknowledges the kind co-operation and assistance extended to the audit team by the officials of the Bhutan Trust Fund for Environmental Conservation which facilitated the completion of the audit.

Yours sincerely,



(Chetki Dorji)

Assistant Auditor General

Copy to:

- ✓ 1. The Chairman, Board of BTFEC
2. AAG, PPD, Royal Audit Authority, Thimphu;
3. AAG, Follow-up & Legal Service Division, Royal Audit Authority, Thimphu;
4. Office copy.

TITLE SHEET

1. Title	: Financial Audit Report of the Bhutan Trust Fund for Environmental Conservation
2. AIN	: GCD-2024-4
3. Head of the Agency	: Karma Tshering, Managing Director CID No.: 108****2154 E-mail address: karma@bhutantrustfund.bt
4. Drawing & Disbursing Officer	: 1. Karma Tshering, Managing Director CID No.: 108****2154 E-mail address: karma@bhutantrustfund.bt 2. Singye Dorji, Chief Finance Officer CID No.: 116****2881 E-mail address: singye@bhutantrustfund.bt
5. Name of Finance Personnel	: Singye Dorji, Chief Finance Officer CID No.: 116****2881 E-mail address: singye@bhutantrustfund.bt
6. Period Audited	: 01/07/2022 to 30/06/2023
7. Schedule of Audit	: Start Date: 25/12/2023 End Date: 29/12/2023
8. Composition of Audit Team	: Team Leader: 1. Biresh Parajuli, Sr. Auditor II (CID No.108****0979 & EID No. 200507262) Team Members: 1. Thinley Dorji, Audit Officer (CID No. 113****2068 & EID No. 20180111421)
9. Supervising Officer	: Cheki Dorji, Assistant Auditor General (EID No. 9711012)
10. Overall Supervising Officer	: Dorji Wangchuk, Deputy Auditor General (EID No. 200201004)
11. Audit Intimation Letter No.	: RAA/GGD/BTFEC/02/2023-24/1139 dated 25/12/2023
12. Focal Person	: Biresh Parajuli
13. Date of Audit Exit Meeting	: 24/01/2024

ACRONYMS

AAG	: Assistant Auditor General
AIN	: Audit Identification Number
AR	: Audit Report
ARA	: Audit Recoveries Account
ATR	: Action Taken Report
EID No.	: Employee Identity Number
FULSD	: Follow-up & Legal Service Division
FYP	: Five Year Plan
GCD	: Governance Cluster Division
ISSAIs	: International Standards of Supreme Audit Institutions
LC	: Letter of Credit
MoF	: Ministry of Finance
RAA	: Royal Audit Authority

**AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS**



As part of an audit in accordance with ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BTFEC's internal control.

We communicate with the management, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.


(Cheki Dorji)
Assistant Auditor General

Date: 05/03/2024



FINANCIAL STATEMENTS

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION

Statement of Revenue and Expenditure for the Fiscal Year Ending 30 June, 2023

USD (rounded)

	<u>Notes</u>	<u>2022-23</u>	<u>2021-22</u>
REVENUE			
Interest & Dividend	<i>I</i>	1,379,496	1,701,385
Net Capital Gain/(Loss) Realized		(838,836)	4,423,268
Grant from GCF		2,269	-
Grant from Adaptation Fund (Water Stress)		20,312	-
Miscellaneous (Net)		(304,187)	23,024
TOTAL REVENUE		259,055	6,147,676
EXPENDITURE			
Secretariat	<i>II</i>	252,915	208,633
Program	<i>III</i>	960,809	1,088,288
BTFEC Advocacy and Publicity		16,533	15,868
Fund Management Expenditure	<i>IV</i>	274,559	312,749
Depreciation on Fixed Assets	<i>V</i>	27,954	31,003
TOTAL EXPENDITURE		1,532,770	1,656,541
<i>Excess Revenue over Expenditure</i>		<i>(1,273,715)</i>	<i>4,491,136</i>
Opening Accumulated Excess Revenue over Expenditure		48,237,548	43,746,412
Closing Accumulated Excess over Revenue		46,963,833	48,237,548

Director
Secretariat

Managing Director
Bhutan Trust Fund for
Environmental Conservation

Chief Financial Officer
Secretariat

Chief Finance Officer
Bhutan Trust Fund for
Environmental Conservation



BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION

Balance Sheet as at 30 June 2023

USD (rounded)

ASSETS	Notes	2022-23	2021-22
<i>Current assets</i>			
Cash in Hand & Bank	VI	3,638,577	231,663
Receivables and Prepayments	VII	231,237	538,808
Fund Balances	VIII	188,871	233,553
<i>Total current assets</i>		<u>4,058,685</u>	<u>1,004,024</u>
<i>Fixed Assets:</i>			
Fixed Assets (Net)	V	<u>1,179,497</u>	<u>540,620</u>
<i>Investments</i>			
Investment at cost	IX	66,823,817	67,880,596
Less: RSPN Endowment Fund		<u>(3,257,460)</u>	<u>(2,961,393)</u>
<i>Investment (Net)</i>		<u>63,566,357</u>	<u>64,919,203</u>
TOTAL ASSETS		<u>68,804,539</u>	<u>66,463,847</u>
LIABILITIES			
<i>Current liabilities</i>			
Expenses Payable	X	277,565	110,749
Recoveries/Remittances	XI	102,338	32,838
Non-Core Project Fund	XII	3,800,018	249,326
<i>Total current liabilities</i>		<u>4,179,921</u>	<u>392,912</u>
<i>Capital & Reserves</i>			
Capital Contributions	XIII	21,578,082	21,515,044
Accumulated excess of revenue		48,237,548	43,746,412
Excess of revenue for the Year		(1,273,715)	4,491,136
Reserves on valuation of Fixed Assets		2	2
Reserves for (Gain/Loss) FOREX Translation		<u>(4,049,688)</u>	<u>(3,681,659)</u>
<i>Total Capital & Reserves</i>		<u>64,492,230</u>	<u>66,070,935</u>
TOTAL LIABILITIES, CAPITAL & RESERVES		<u>68,672,151</u>	<u>66,463,847</u>


 Director
 Secretariat
Managing Director
 Bhutan Trust Fund for
 Environmental Conservation




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

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION
Notes to financial statement
30 June 2023
USD (rounded)

Schedule - I

A: Offshore Investment Income

	<u>2022-23</u>	<u>2021-22</u>
Interest Income Offshore	281,400	337,903
Dividend Income Offshore	657,637	927,742
<i>Sub-total</i>	<u>939,036</u>	<u>1,265,645</u>

B: Local Investment Income

Dividend Income Local	256,605	33,090
Interest Income Local	183,855	402,650
<i>Sub-total</i>	<u>440,460</u>	<u>435,740</u>
Total (A+B)	<u>1,379,496</u>	<u>1,701,385</u>

C: Capital Gain Realized

Capital Gain Realized-Offshore	(838,859)	4,423,268
Capital Gain Realized-Local	23	-
<i>Sub-total</i>	<u>(838,836)</u>	<u>4,423,268</u>
Total (A+B+C)	<u>540,661</u>	<u>6,124,653</u>


Managing Director
Bhutan Trust Fund for
Environmental Conservation




Chief Finance Officer
Bhutan Trust Fund for
Environmental Conservation

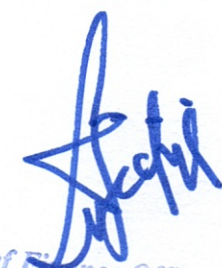
BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION
Notes to financial statement
30 June 2023

Expenditure Statement of Secretariat For The Fiscal Year 2021-2022

Expenditure Head	<i>USD (rounded)</i>	
	2022-23	2021-22
<i>Recurrent:</i>		
Personnel Emoluments	116,959	108,024
Other P. Emoluments	1,375	7,021
Travel (in-country)	13,583	9,304
Travel (abroad)	3,723	13
Utilities-Tele, Fax, etc.	5,676	7,882
Utilities-Postage/Bank Charges	171	242
Utilities- Electricity	705	744
Utilities- Water & Sewerage Charges	89	72
Rental of Properties-Building	2,372	-
Rental of Others	157	257
S & M - Stationery, Printing, Office Supplies	3,059	3,209
S & M - Subscription to International Journals	691	256
S & M - Library	6	196
S & M - Uniform, Extn. Kits	1,797	154
Maintenance of Properties-Building	451	777
Maintenance of Properties-Vehicle	11,244	5,365
Maintenance of Properties-Equipment	125	322
Maintenance of Properties-Computers & Peripherals	6,786	1,845
Operating Expenses - Advertisement	2,303	1,729
Operating Expenses - Transportation	875	-
Operating Expenses -Annual Chhoku	-	145
Operating Expenses - Incountry Seminar/W-shop	15,186	3,508
Hospitality & Entertainment	6,068	2,388
Subscription to International Organization	-	2,775
PF-Employers Contribution	12,633	12,192
Retirement Benefits	29,272	-
<i>Total Recurrent</i>	<u>235,306</u>	<u>168,419</u>
<i>Non-recurrent:</i>		
BT FEC's Environmental Advocacy & Publicity	102	-
Training - Human Resources Development	-	1,661
Ex-country Workshop/Conferences/seminars	1,140	-
Grant of Royal Charter	55	4,805
Professional Fees	16,048	33,748
<i>Total Non-recurrent</i>	<u>17,345</u>	<u>40,214</u>
Enhancing the Operational Effectiveness of BT FEC		
Other P. Emoluments	18	-
Travel In-country)	246	-
<i>Total Component 1 & 3 of SFBC&NRM</i>	<u>264</u>	<u>-</u>
Total	<u>252,915</u>	<u>208,633</u>


Managing Director
 Bhutan Trust Fund for
 Environmental Conservation




Chief Finance Officer
 Bhutan Trust Fund for
 Environmental Conservation

Schedule - III

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION

Program Expenses For The Year Ending 30 June, 2023

USD (rounded)

Grant Title	Grant No.	2022-23	2021-22
250Kw,Rooftop Solar at CFM	MB0215Y23	200,996 ✓	-
Cons. of native floral geentic resources(Tashichhodzong)-HM Secretariat	MB0192Y19	-	33,405
Sustainable mgt of NWFP and commercialization in Bhutan-SFED-DoFPs	MB0194Y19	-	29,484
Upscaling WBH recovery program-RSPN	MB0195Y19	-	62,384
Strenthening forest fire mgt in Bhutan through participatory approach-FPED-DoFP	MB0196Y19	-	81,387
Clean, Green, Beautiful urban spaces for sustainable dev.-Royal Project Office	MB0197Y19	-	46,918
Strenthening & promoting glue laminiated timber technology-Royal Academy Pangbi	MB0198Y19	-	61,318
Critical Watershed Mgt of Richulum Watershed-Dopshari gewog,Paro	MB0199Y19	-	13,886
Conservation of Protected Areas(Bhutan for Life)	MB0200Y19	369,650 ✓	402,245
Dev of Agroforestry as an Alternative Livelihood Option-UWICER	MB0201Y20	26,714	24,615
Protection & Cons of Drinking Water Sources- DFO S/Jongkhar	MB0202Y20	6,205 ✓	30,077
Ensuring Human-Elephant Coexistence & Cons of Elephant- DFO Samtse	MB0203Y20	24,161	76,803
Watershed mgt to maintain healthy ecosystem-Bumthang Dzongkhag	MB0204Y20	-	58,908
Revival and Cons of Env for Wellness Garden- Dratshang Lhuentshog	MB0205Y20	97,589	27,581
Building Capacity for Climate- smart Agriculture- CNR	MB0206Y20	5,251	66,706
Integrated Approach to improve degraded watershed- Dagana Dzongkhag	MB0207Y20	15,680	6,972
Strengthening Dog Population Management- DOL	MB0208Y20	106,310 ✓	-
Changiji- A Zero Waste Model Community	MB0209Y20	36,399	65,597
Total Program Expenses (Core)		888,956	1,088,288
Adaptation to Climate-Induced Water Stresses	MB0216Y23	20,312	-
BuildingAdaptive Capacity through Innovative Mgt. of Pests	MB0214Y22	49,270	-
Green Climate Fund (GCF)	MB0217Y23	2,269	-
Total Program Expenses (Non-core)		71,852	-
Total Program Expenses		960,809	1,088,288

Schedule- IV

Fund Management Expenditure	2022-23	2021-22
Custodian/Brokerage Fees	9,163	8,159
Fund Management/Advisory Fees	228,345	266,563
Non-US Resident Tax	37,051	38,027
Total Fund Management Expenditure	274,559	312,749

Managing Director
Bhutan Trust Fund for
Environmental Conservation



Chief Finance Officer
Bhutan Trust Fund for
Environmental Conservation

Bhutan Trust Fund for Environmental Conservation
Schedule V: Depreciation Table for FY2022-23

Particulars of Assets	Gross Block as on 30.6.22	Addition during the Year	Adjustments during the Year	Ex. Rate (Gain/(Loss)	Gross Block as on 30.6.23	Depreciation					Net Block as on 30.6.23	Net Block as on 30.6.22
						Accumulated as on 30.6.22	During the Year	Adjustments	Ex. Gain	Accumulate d as on 30.6.23		
Land: (No Depreciation):	1	0	0	(0)	1	0	0	0	0	1	1	
Building: (2%, 50 years, 10%):	481,375	702,713	0	(38,623)	1,145,465	9,689	1,015	0	(378)	10,327	1,135,139	471,686
Equipment (20%, 5 years, 5%:	114,908	0	(22,087)	(2,270)	106,606	84,719	8,508	(20,043)	(2,520)	70,665	26,881	30,188
Computer Software (20%, 5 years, 0:	69,067	0	0	(2,691)	66,375	60,486	2,703	0	(2,357)	60,832	5,544	8,581
Furniture (20%, 5years, 5%:	19,552	0	(11,256)	(323)	7,973	16,991	506	(9,875)	(277)	7,344	628	2,562
Vehicle (20%, 5years, 10%:	117,619	0	0	(4,583)	113,035	90,017	15,222	0	(3,508)	101,732	11,304	27,601
Total	802,522	702,713	(33,343)	(48,491)	1,439,456	261,902	27,954	(29,917)	(9,040)	250,899	1,179,497	540,620

Manager
 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 2023

USD (rounded)

Schedule - VI

Cash in Hand/Bank

	2022-23	2021-22
Petty Cash Account	123	128
Bank Account 17912011	(108,656)	(15,125)
Bank US\$ Account 17912003	4,161	4,161
Adaptation Fund Bank Account 17912012	3,742,950	242,500
Total	3,638,577	231,663

Schedule - VII

Receivables and Prepayments

	2022-23	2021-22
Advance to Employees	42,105	41,467
Advance to Suppliers	638	664
Advance to Contractors	133,845	220,437
Advance to Others	6,329	764
Interest receivables	47,273	275,476
Prepaid Expenses	920	-
Subscription of shares	127	-
Total	231,237	538,808

Schedule - VIII

Fund Balances with Implementing Agencies

	2022-23	2021-22
Adaptation to Climate induce Water Stresses....	0	-
MB201Y20 Dev.of Agroforestry as Alt Livelihood in HWC UWICER	(9)	0
MB202Y20 Protection & Cons of Drinking water source S/Jongkh	251	1,021
MB203Y20 Ensuring Human elephant coexistence Samtse Forest	145	5,100
MB204Y20 Healthy eco system through waste Mgt. Bumthang	-	9,819
MB205Y20 Revival & Cons of Env 'Wellness Garden' Dratshang	6,295	15,644
MB182Y17 Integrated Wildlife Mgt. for Sus.Bio. Cons. BWS	0	0
MB191Y18 Cons. of Black Necked Crane in Bumthang	0	0
MB192Y19 National Floral diversity & cons native floral Tash	-	27,256
MB194Y19 Sustainable Mgt of NWFP & it commercialization in B	-	2,949
MB195Y19 vUp scaling White Bellied Heron Recovery	-	51
MB0214Y22 Innovative Mgt. of Pests IAS AF NEC	4,271	-
MB215Y23 250kW Rooftop Solar PV at CFM BSIP	27	-
MB197Y19 Clean Green Beautiful Urban Spaces for Sust Devnt	325	339
MB206Y20 Buildg capacity for climate smart Agriculture CNR	12,781	311
MB207Y20 Integrated Approach for degrad watersheds in Dagana	4,343	(2,757)
MB208Y20 Strengthening Dog Pop.Mgt. effective waste mgt NEC	-	11,865
MB209Y20 Chanjiji A Zero waste model Community Clean Bhuta	1,827	19,016
MB200Y19 Bhutan for Life Funded by BTFEC	156,122	2,870
MB196Y19 Strengthening Forest fire mgt in Bhutan through PA	-	15,998
MB213Y20 Frontload of waste flagship programme COVID 19 NEC	664	122,169
MB0149Y15 Estbl. of knowledge base for invertebrates in Bhut	0	0
PG0004Y19 Bhutan Toilet Organization	1,827	1,902
Total	188,871	233,553

Schedule - IX

BTF Portfolio

Foreign Investment

Cash	
Money Market US Bank Money Market Mmda It&c	

Managing Director
Bhutan Trust Fund for
Environmental Conservation



2022-23 2021-22
2,209,945 1,728,272
142,282 -
Chief Executive Officer
Bhutan Trust Fund for
Environmental Conservation

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION

Notes to Financial Statement

30 June 2023

USD (rounded)

Wash sale adjustment	192	-
Fixed Income US	17,603,686	19,145,972
U.S. Equities	29,945,190	29,559,399
International Equities	7,960,701	7,848,843
Equities Real Estate	2,858,608	2,673,909
Total Offshore Portfolio	60,720,603	60,956,394
Local Investment		
Ngultrum Trading Account	3,459,075	791,688
Royal Insurance Corpn. of Bhutan Ltd.	364,170	378,936
Penden Cement Authority Ltd.	71,764	74,674
State Trading Corpn. of Bhutan Ltd	15,997	16,645
Bhutan Calcium Carbide Ltd.	197	205
Bhutan National Bank Ltd.	1,364,993	1,420,341
Dungsam Plymers Ltd.	64	67
Druk PNB Bank Limited	62	65
T Bank Limited	880	916
Fixed Income RICBL Bond Series IV 7 yrs May 27 2022	122	127
Fixed Income RSA private Bond Series I 7 Year 25Jan'24	420,322	437,365
Fixed Income BNBL 3 Years 5 Aug'22	-	3,803,173
PRI/22 23/001 500kW Ground mounted Solar PV D/choling BSIP	405,569	-
Total Local Portfolio	6,103,214	6,924,201
Total BTF Investment Portfolio	66,823,817	67,880,596

Schedule - X

Accrued Expenditure & Other Payables:

Accrued Expenses Paybles

Total

2022-23

2021-22

277,565

110,749

277,565

110,749

Schedule - XI

Recoveries/Remittances:

Tax Deducted at Source

Health Contribution

Education Loan

Bank Charges

Earnest Money Deposits

Security Deposits

Retention Money

New Members Loan

Total

2022-23

2021-22

3,156

131

0

-

(1)

-

1

-

18

19

59,360

30,236

39,804

2,452

1

-

102,338

32,838

Schedule - XII

Non-Core Project Fund:

Climate Investment Fund CIF

Adaptation Fund AF

International Union for Conservation of Nature (IUCN)

Total

2022-23

2021-22

3,811

3,966

3,796,098

242,675

109

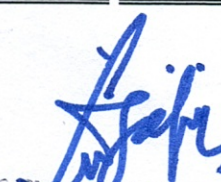
2,685

3,800,018

249,326


Managing Director
Bhutan Trust Fund for
Environmental Conservation




Chief Financial Officer
Bhutan Trust Fund for
Environmental Conservation

BHUTAN TRUST FUND FOR ENVIRONMENTAL CONSERVATION
Notes to financial statement

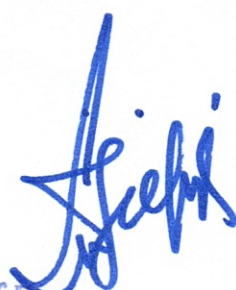
Schedule XIII

Statement of Capital Contribution as of 30 June 2023 (US\$ rounded)

	<u>2022-23</u>	<u>2021-22</u>
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	274,392	211,354
Royal Government of Bhutan	173,818	173,818
Total	<u>21,578,082</u>	<u>21,515,044</u>


Managing Director
 Bhutan Trust Fund for
 Environmental Conservation




Chief Finance Officer
 Bhutan Trust Fund for
 Environmental Conservation

PROFILE

Background:

The Kingdom of Bhutan, desiring to protect its pristine natural environment and the abundant biodiversity for the Bhutanese people and humankind at large established the globally pioneering Trust Fund for Environmental Conservation in 1991. While it began as a tripartite collaboration between the Royal Government of Bhutan, (RGoB), World Wildlife Fund (WWF) and the United Nations Development Program (UNDP), the Trust Fund legally incorporated under Royal Charter on 27 May 1996.

Further, in cognizant of the continued efforts required for the conservation and protection of our forests, flora and fauna, water, diverse ecosystems, biodiversity, and addressing climate change mitigation and adaptation, environmental sustainability, and human-wildlife co-existence, Royal Charter 2021 was granted on Eight Day of September Two Thousand Twenty-One.

The Object of the Trust and BTF shall be to fulfill the sacred duties enshrined in Article 5 of the Constitution of the Kingdom of Bhutan. BTF shall promote social welfare in Bhutan through environmental conservation, amongst others, by supporting activities for:

- (a) Preserving biological diversity;
- (b) Mitigating and adapting to climate change;
- (c) Enabling human-wildlife co-existence; and
- (d) Addressing adverse impacts of development on the environment

Vision

We envision a Bhutan in which all the citizens champion their natural heritage of healthy forests water ways, diverse flora and fauna and intact ecosystems; and each adult and child takes personal responsibility for maintaining a green and healthy environment for themselves and future generations.

With guidance of our king, traditional respect for nature and commitment to achieve development by means of the four pillars of Gross National Happiness, Bhutan will continue to provide global leadership in conserving and nurturing its precious environment for the benefit of all the world's citizen.

The role of the Bhutan Trust Fund for Environmental Conservation is to provide leadership and funding for local communities, civil society organizations and government agencies as they collectively strive to realize this vision.

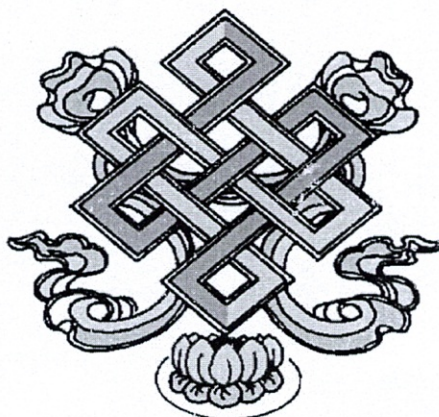
Mission

Promote the Socio-economic welfare of Bhutanese citizens by funding conservation of their Flora, Fauna, diverse ecosystems and bio- diversity; and addressing the adverse effects of economic development on Bhutan's natural environment.

Capital

As per the Royal Charter of 1996: Capital of the Trust Fund shall be constituted of contributions/grants from donor countries/organizations, and shall consist of principal and investment income.

The Trust Fund shall continue to mobilize contribution/grants from donors; The program activities will be funded by portion of the investment income. In the event the income accrued is insufficient to fund programme activities, the principal shall be utilized up to US\$ 500,000.



Royal Audit Authority

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