

ANNEX B

PROFILES OF THE NEFS

Bhutan Trust Fund for Environmental Conservation (BTF) *by Karma Phuntshog*

I. History

In early 1989, the Royal Government of Bhutan (RGOB) and the World Wildlife Fund (WWF/US) jointly conceived the idea for a trust fund for environmental conservation. The Bhutan Trust Fund (BTF) was subsequently organized by a Memorandum of Understanding (MOU) signed in January 1991 by the United Nations Development Program (UNDP), WWF/US and the RGOB. In May 1992, the RGOB and the World Bank-Global Environment Facility (GEF) signed an agreement for a US\$10 million grant to BTF for environmental programs in the country. The MOU was replaced by the Royal Charter of the Trust Fund for Environmental Conservation in May 1996.

II. Goals

The Trust Fund aims to promote social welfare through environmental conservation of the forests, flora, fauna, diverse ecosystems and biodiversity in Bhutan.

To achieve this goal, BTF provides grants to NGOs, government organizations (GOs) and communities for the following activities:

1. Training professionals in ecology, natural resource management, forestry, and environment;
2. Assessment of biological resources and development of an ecological information base;

3. Development and implementation of management plans for protected areas;
4. Enhancement of public awareness and environmental education in schools;
5. Provision of institutional and logistic support to organizations engaged in environmental conservation;
6. Development and implementation of projects integrating conservation and development.

III. Legal Structure

BTF is an autonomous nonprofit organization established in May 1996 under the Royal Charter of the Trust Fund for Environmental Conservation.

IV. Governance/Administration

The fund has a Management Board composed of seven members: five from the RGOB representing the Ministry of Planning, National Environment Commission, Ministry of Agriculture, Ministry of Finance, and the Civil Service Commission; one member from WWF/US, and one from UNDP.

The Management Board decides on policy issues, reviews and approves project proposals, and workplans. The fund has a Secretariat composed of a full-time Program Director, accountant, secretary, and a messenger/driver. The Secretariat seeks voluntary support from a core group of nine professionals.

Projects are implemented by various government agencies, local government units, communities, and NGOs. The Secretariat supervises and coordinates project implementation, and reports progress to the board once a year. At the end of each fiscal year, the Secretariat publishes a consolidated technical and financial report distributed to the fund donors and other interested parties.

V. Funding

The GEF has contributed US\$10 million; WWF/US, US\$1.0 million; the government of Switzerland, US\$2.586 million; the government of the Netherlands, US\$2.492 million; the government of Norway, US\$2.9 million; the government of Denmark, US\$2.4 million, and the government of Finland, US\$0.029 million. The total BTF endowment to date amounts to US\$21.4 million.

VI. Fundraising

BTF aims to raise an additional US\$20 million from bilateral and multilateral sources, to generate at least US\$1 million interest per year. A portion of this income will be reinvested to adjust for inflation, and the principal will be maintained at a minimum of US\$8.5 million according to the investment policy of the fund.

VII. Investment Policy

BTF aims to earn maximum returns. It pursues a policy of investing in a mixed portfolio of equities (70%) and others (30%). Its endowment cannot be invested in companies engaged in environmentally destructive undertakings.

Portfolio management has been contracted to Mees Pierson, USA while CoreStates Bank, also based in the USA, provides custodial services.

VIII. Relation to National Environmental Plans

The goals, objectives, projects and workplans of the fund are guided by the National Environmental Strategy, Biodiversity Action Plan and the Five year Environmental Plans of the RGOB.

IX. Criteria for Grants

BTF focuses funding on the following:

- Upgrading and strengthening the capacity for planning and managing a national protected areas system and associated wildlife resources, and establishing means for monitoring changes in biodiversity;
- Establishing a national system of protected areas, including classification of protected areas into different categories, management of priority areas, and issuing official notifications concerning the establishment of protected areas;
- Strengthening the management of four existing priority protected areas, including hiring additional staff, training, infrastructure development and development of management plans;
- Piloting a project integrating conservation measures and development in one of the priority protected areas.

X. Disbursements to Date

The annual budget is approved every year in May/June when the Board convenes one of its two annual meetings, the second meeting being in September/October. The Secretariat withdraws funds in accordance with the approved budget and makes quarterly disbursements to the implementing agencies.

Three disbursements amounting to US\$0.4 million, one to the Integrated Conservation and Development Project and two for protected area management.

XI. Monitoring and Evaluation System

A monitoring and evaluation system is being developed. Meanwhile, the BTF has been using project monitoring and evaluation benchmarks developed by the GEF.

XII. Auditing Requirements

At the end of each fiscal year, audits of both investment management and the project/program expenses are conducted by the Royal Audit Authority. The BTF Secretariat prepares a consolidated financial and technical report and submits it to the Board for review, then publishes and distributes the report to the donors and other interested parties.

XIII. Perceived Needs

1. BTF is a conservation financing organization. Its undertakings involve evaluating proposals written by implementing agencies. The capabilities of the implementing agencies and that of the BTF to develop the proposals need to be enhanced.
2. BTF involves coordination among implementing agencies. The coordination mechanism requires improvements. The administrative and financial manual for the BTF Secretariat needs to be further developed.
3. Conservation covers a wide range of activities. Thus, there is a need for the BTF to develop and adopt a more strategic approach to utilize and invest its funds.
4. More contributions are needed from donors.

XIV. Computer Resources and Capabilities

BTF has computer resources and facilities. Its software includes WordPerfect, Microsoft Word, Excel, etc. Its staff has adequate computer knowledge.

XV. Notable Accomplishments

The RGOB has declared in the Royal Charter of the Trust Fund for Environmental Conservation, to preserve the country's forest cover at 60% in perpetuity. The previous national system of protected areas was revised and a new one has been adopted, covering 26% of the country's landmass, to protect representative ecosystems of the country. BTF capability to manage conservation programs has been strengthened and more field staff has been employed by implementors to manage the protected areas.

XVI. Other Challenges

1. To develop the capacity of implementing agencies to use BTF funds more effectively;
2. To develop biodiversity inventory and management planning for the protected areas; and,
3. To strengthen community participation in integrating conservation and development programs.

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1871. The first year of the year 1871 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1871, which destroyed the city of San Francisco and its surrounding areas.

1872. The second year of the year 1872 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1872, which destroyed the city of San Francisco and its surrounding areas.

1873. The third year of the year 1873 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1873, which destroyed the city of San Francisco and its surrounding areas.

1874. The fourth year of the year 1874 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1874, which destroyed the city of San Francisco and its surrounding areas.

1875. The fifth year of the year 1875 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1875, which destroyed the city of San Francisco and its surrounding areas.

1876. The sixth year of the year 1876 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1876, which destroyed the city of San Francisco and its surrounding areas.

1877. The seventh year of the year 1877 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1877, which destroyed the city of San Francisco and its surrounding areas.

1878. The eighth year of the year 1878 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1878, which destroyed the city of San Francisco and its surrounding areas.

1879. The ninth year of the year 1879 was a year of great interest and activity. The year was marked by the great fire of London, which destroyed the city of London and its surrounding areas. The year was also marked by the great earthquake of 1879, which destroyed the city of San Francisco and its surrounding areas.