

Promoting social welfare through environmental conservation

The Bhutan Trust Fund for Environmental Conservation is an independent grant making organization that uses its annual investment income to finance field biodiversity programs for environmental conservation and the promotion of social welfare in the country.

Rabi C Dahal, BTFEC

FORESTS, alpine regions, protected areas, and other natural habitats are among Bhutan's greatest assets. They represent the vast repository of biodiversity and their largely pristine condition reflects the country's commitment to maximizing Gross National Happiness (GNH). Environmental conservation, one of the pillars of GNH, is featured explicitly in Bhutan's constitution, which prescribes the maintenance of a minimum of 60 percent of the country's total land area under forest cover perpetually.

As a landlocked and mountainous country and a global biodiversity hotspot, Bhutan's development prospects depend upon the extent to which it can capitalize on its comparative advantage – its natural endowment.

Bhutan entered the current millennium with most of its natural endowments intact. It ranks among the world's top ten countries in terms of species density. Despite its small size, the country has very high levels of biological diversity at the ecosystem, species and genetic levels. Bhutan has, currently, 72 percent of its land area under forest cover that includes over 50 percent under protected area (PA) manage-



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

ment.

However, the country has seen rapid growth, averaging about eight percent annually during the last three decades. As development proceeds apace, Bhutan is facing pressures on its natural endowment stemming from population growth, agricultural modernization, hydro-power and mineral development, industrialization, urbanization, and infrastructure development.

Localized deforestation, over-grazing, forest fires, and conversion of natural habitats to accommodate urbanization and infrastructure development manifest these pressures. The growth in road construction and electrification of towns

and villages has brought additional demographic pressures on the surrounding natural resources. In addition, the country is confronting emerging environmental challenges in the form of pollution, waste and climate change.

Bhutan's current status of conservation and biodiversity is a result of the far-sighted vision and leadership of our Kings and our rich tradition of living in harmony with nature throughout the centuries. This has been further strengthened through the formal adoption of the development philosophy of Gross National Happiness, which categorically states environmental conservation as one of the four pillars



White-bellied Heron. Photo: BTFEC

of Gross National Happiness. This effectively ensures that development is never achieved at the cost of the environment. Many policy documents and action plans have already been developed and are being implemented.

In the early 1990s, the royal government of Bhutan (RGOB) recognized the serious financial, institutional and human resource constraints in implementing conservation programmes due to the country's small population, limited economic activity and hence low government revenues. The Bhutan Trust Fund for Environmental Conservation (BTFEC) was, thus, established in 1992 in an effort to secure a mechanism for sustainable financing to preserve the country's rich biological diversity.

The RGOB sought financial support from the Global Environment Facility (GEF) and other donors to capitalize BTFEC. A GEF grant of US\$10 million for a project administered by the World Bank was provided to BTFEC to assist Bhutan's conservation goals through the trust fund mechanism. Implementation took place in 1992-97.

The grant launched the first

trust fund set up in the world and demonstrated the feasibility of a trust fund mechanism for providing potential long-term support for biodiversity conservation. With the GEF grant, RGOB attracted additional funds for BTFEC consisting of US\$10 million from the World Wide Fund for Nature (WWF) and US\$10 million from bilateral donors.

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, called the Strategic 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 strategic 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



Seining. Photo: BTFEC



Photo: BT FEC



Fish Sampling. Photo: BT FEC

financial management.

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

Disciplined investment management and opportune decisions guided the growth of the original Trust Fund capital which increased from US\$20.3 million to more than US\$60 million by 2017/2018, and around US\$18 million in grants to be distributed in support of pressing conservation needs. Much was accomplished, but more would have been possible, had grantee capacity not limited the quantity and quality of good proposals for the use of funds.

Some of the clear achievements of BT FEC support have been in supporting the establishment of all ten protected areas in the country, capacity building of more than 600 Bhutanese to carry out conservation and natural resource management programmes, the national forestry inventory, national level survey on iconic species such as tiger, snow leopard, takin, introduction of GIS system for conservation planning, and environmental science curriculum in education

system, and conservation of black-necked cranes and white-bellied herons.

Initiatives were also taken to establish facilities such as ecological park, environment resource centre, greenery park, door-to-door waste management services, development of hot springs, solid waste management, zero waste project, rural livestock and agricultural crop insurance, recovery plan for white-bellied heron, development of compact onsite sanitation technology, and fuel efficient stoves and rice cookers in schools and monasteries. Further, BT FEC grants strengthened resource monitoring, patrolling, and service delivery in national park and reserves, and enhanced management effectiveness

and sustainability of these parks.

As of May 2018, BT FEC has funded 217 projects, including the Management Board Grants, Small Grants and HANAs sub-projects, to a tune of Nu 1,171,419,361. Of these, 181 projects worth over 891 million are complete, while there are 35 on-going projects.

For the past 26 years, BT FEC has made vital contribution to all major achievement in the areas of environmental conservation and management, natural resource management, cleaner technology and land-use planning, rural livelihood, human-wildlife conflict, field research, environmental education, green transport, waste management, plantation and reforestation, biodiversity assessment of various



Greenhouse for fruit trees. Photo: BT FEC



Up-scaling sustainable land management to combat land degradation and climate change mitigation. Photo: BTFEC

flora and fauna, conservation of endangered species, eco-tourism, with special attention to the legal and institutional framework for environmental and natural resource management.

The BTFEC has, over the year, improved substantially in terms of modernised governance, increased grant making, strengthened investment and financial management, and instituted monitoring and evaluation practises.

With each of its successive five-year strategic plans, the BTFEC has steadily improved its organisation capacity and its role as Bhutan's leading conservation trust fund and environmental project grant-making institution. At the same time, rapid population growth, pressure from economic development, hydropower and the increasing effects

from climate change are causing a new set of challenges that threaten Bhutan's protected areas, biodiversity and ability to sustain one of the four pillars of GNH – environmental preservation – and to meet the country's UN Climate Change INDC pledges while making progress towards new UN SDGs – all of which require significantly greater allocation of funding from the BTFEC.

The BTFEC endowment funding is crucial for the management of Bhutan's protected areas and the essential ecosystem services they provide to Bhutan and to neighbouring countries in Bangladesh, China, India and Nepal – as well as climate change mitigation for all of the major GHG emitter nations—who have also pledged INDCs as part of their commitments to the new UN climate change agreement.

There are multiple threats to the interdependent goals of preserving biodiversity while improving rural livelihoods. These include human wildlife conflict; agriculture and grazing impacts on sensitive and/or protected ecosystems; and development activities such as farm roads, transmission lines and dams on waterways, forests and sensitive habitat. Efforts to accomplish the twin goals of protecting biodiversity and improving rural livelihoods should be substantially informed and implemented by rural populations. Farmers, park wardens and local authorities must share their experiences; actively participate in research and test experiments; participate in policy-making; and collaboratively implement and support best practices. ●