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Gross National Happiness Commission

# Green Climate Fund (Bhutan For Life Project)





## Outline

1. Country background
2. Bhutan for Life (GCF approved project)
3. Components of BFL
4. GCF investment criteria and BFL

# Country Background

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- Developing country with pressing social and economic development needs and priorities.
- Highly vulnerable to the impacts of climate change and support of international community is vital in mitigation and adaptation efforts.
- Strong conservation policies and initiative and various multilateral and bilateral partners financially supporting environment, nature conservation and climate change programs.
- Bhutan's PAs encompasses ten Protected Areas, eight Biological Corridors and one Royal Botanical Park
- Net sink for Green House Gases largely due to huge areas under forest cover.
- Emissions from sectors such as industrial processes and transport are showing a rapidly increasing trend.



# What is Bhutan for Life (BFL)

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- BFL is an innovative Project Finance for Permanence (PFP) ensuring long-term financial stability
- BFL goal is to mobilize, in a single agreement, all the governmental, financial and other commitments
- Provide sustained flow of fund to manage Bhutan's protected areas and biological corridors
- Balancing the need for economic development with the need to protect natural resources
- BFL initiative is spearheaded by the Royal Government of Bhutan (RGoB) in close partnership with WWF



# Why Bhutan For Life (BFL)

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- Maintaining Bhutan's forest cover and its promise to remain carbon neutral for all time
- Securing Bhutan's protected areas, comprising 51% of its territory providing time and resources for the government to secure long-term revenues to maintain the improvements.
- Central to the country's plans for meeting its constitutional requirement to maintain a minimum of 60 percent of its land area under forest cover.
- To ensure that Bhutan remains economically and environmentally sustainable during these changing times



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- The fund will be used to strengthen enforcement and management of protected areas, diversify eco-tourism activities and products.
  - The project will employ an innovative financial model built around creation of a sinking fund to support improved management of the country's PAs while providing the time and resources to allow the Government to identify and secure long-term revenues sufficient to maintain these management improvements.
  - Supporting the thousands of people living in the protected areas through job creation and community improvements





# BHUTAN FOR LIFE (BFL):

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## Components:

- Forestry and land use climate mitigation
- Adaptation in communities and ecosystem
- Provision of ecosystem services
- Sustainable management of PAs
- BFL management, safeguards and contingencies



# GCF INVESTMENT CRITERIA - BFL

GCF Investment Criteria	BFL Case
<b>1. Impact potential</b>	<ul style="list-style-type: none"><li>✓ Carbon-neutral commitment</li><li>Sustainable ecosystem goods &amp; services through PAs &amp; BCs</li><li>✓ Increase in forestry and land used based climate mitigation</li><li>✓ Increase in community based adaptation to improve NRM and livelihoods</li></ul>
<b>2. Paradigm shift potential</b>	<ul style="list-style-type: none"><li>✓ Innovative approach for sustainable financing</li><li>✓ Transformational for Bhutan and replicable for financing protected areas in other countries</li></ul>
<b>3. Sustainable development potential</b>	<ul style="list-style-type: none"><li>✓ Socio-economic wellbeing of communities within PA system enhanced</li><li>✓ Contributes to most of the Sustainable Development Goals</li></ul>



# GCF INVESTMENT CRITERIA - BFL

GCF Investment Criteria	BFL Case
<p><b>4. Needs of the recipient</b></p>	<ul style="list-style-type: none"> <li>✓ Bhutan’s location in the fragile mountainous ecosystem which is permanently exposed to climate change risks</li> <li>✓ Decreasing international support as Bhutan is perceived as middle income country</li> </ul>
<p><b>5. Country ownership</b></p>	<ul style="list-style-type: none"> <li>✓ Pledged to remain carbon neutral for all times to come at the UNFCCC COP 15 at Copenhagen.</li> <li>✓ Full support of the Government</li> </ul>
<p><b>6. Efficiency and effectiveness</b></p>	<ul style="list-style-type: none"> <li>✓ A rigorous financial plan for achieving the targeted goals and milestones</li> <li>✓ Includes clear RGoB commitments</li> </ul>



# BFL Strength

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1. Strong leadership and commitment
2. Compelling story backed by evidence
3. Partnership and network
4. Strong team of professionals
5. Consultative planning process and stakeholder engagement with extensive
6. Effective communications



# Bhutan For Life (BFL)

**GCF contribution:** 26.6M USD

**Co-financing:** US\$ 75.1 million RGoB; US\$ 16.6 million private & individual donors

**Project approved:** October 2017; **Officially launched:** November 2017

**Start date:** 2018; **End date:** 2031 (14 years)

**Accredited Entity:** World Wildlife Fund, Inc. (WWF)

**Executing Entity:** Ministry of Agriculture and Forests

Approved at B18

**NDA:** GNHC







***Thank you***