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BIENNIAL  
PROGRESS  
REPORT  
**2014-2016**



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Lyonpo Tandin Wangchuk  
Chairman, Management Board  
Bhutan Health Trust Fund

## MESSAGE FROM THE CHAIRMAN

It is a pleasure to bring out the Biennial Progress Report of the Bhutan Health Trust Fund for the financial year 2014-15 and 2015-16. It is gratifying to note that the Trust Fund is growing steadily over the years and I am confident that it will reach its optimum level of capitalization within the current five year plan period.

The 2014-15 financial year marked a significant milestone in the history of BHTF. It was a year whereby BHTF operationalized major portion of the core mandate which is to ensure uninterrupted supply of essential drugs and vaccines. BHTF since then is fully financing the procurement of essential drugs and pentavalent vaccines.

This report contains the status of BHTF including its achievement. The audited Income and Expenditure Statement, and Statement of Affairs (Balance Sheet) is also provided to ensure the full transparency in the operation of BHTF.

The success of BHTF would not have been possible without the generous support of donors from both within and outside of Bhutan. I take this opportunity to thank all our donors who have supported the Trust fund either directly or indirectly to bring it to its present state.

Tashi Delek!

Lyonpo Tandin Wangchuk  
Chairman, Management Board  
Bhutan Health Trust Fund

## **Vision**

- To promote the quality of life of the people through provision of primary health care services

## **Objective**

- To sustain Primary Health Care (PHC) through continued and uninterrupted supply of essential drugs, vaccines, needles, syringes, cold chain equipments which form the core component of PHC
- To eliminate financing uncertainties for the core components of Primary Health Care
- To provide quality mother and child health care services

## **Target**

- To mobilize Nu.3 billion based on the principle of one-to-one partnership by 2018 .

## **Beneficiaries**

- Each and every citizen of the country irrespective of their gender and age.

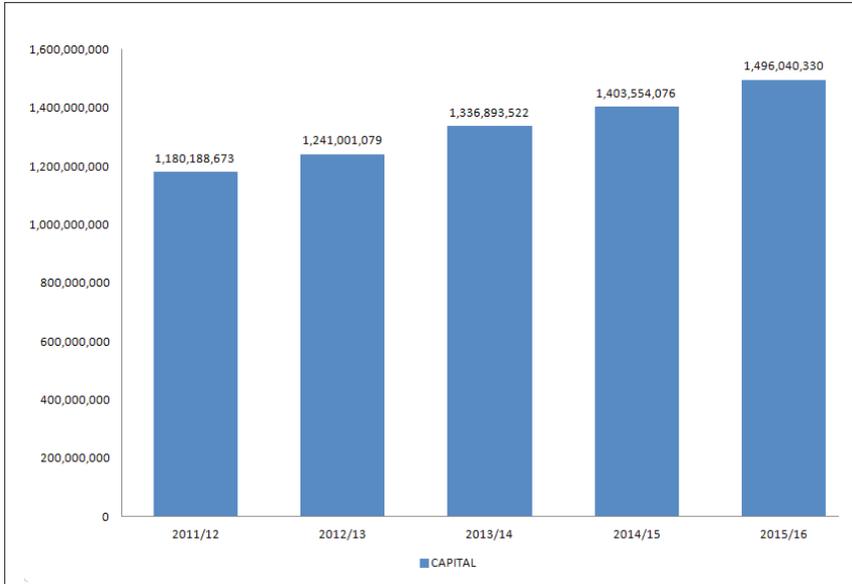
## **Financing of Essential Drugs**

- BHTF took over financing of Essential drugs from 2014-15 financial year and spent Nu. 171,751,001 in 2014-15. For 2015-16 the amount increased to 184,000,000.

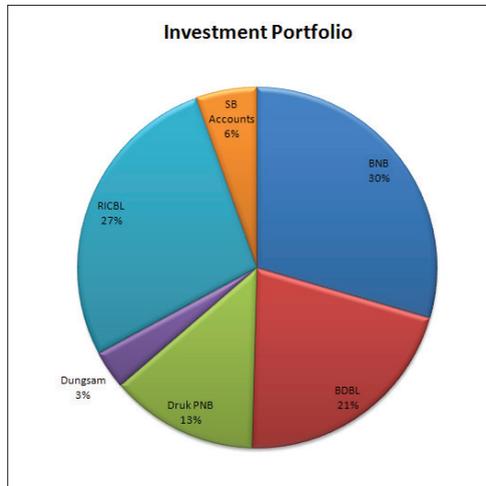
## **Financing of Vaccines**

- Nu 5,854,350 in 2015 as the last part of co-financing of pentavalent vaccines with GAVI.
- Nu.6,000,000/- was released as full financing of Pentavalent vaccines for 2016 and Nu. 6,000,000/- for 2017.

## Yearly Fund Status



## Investment of the Fund



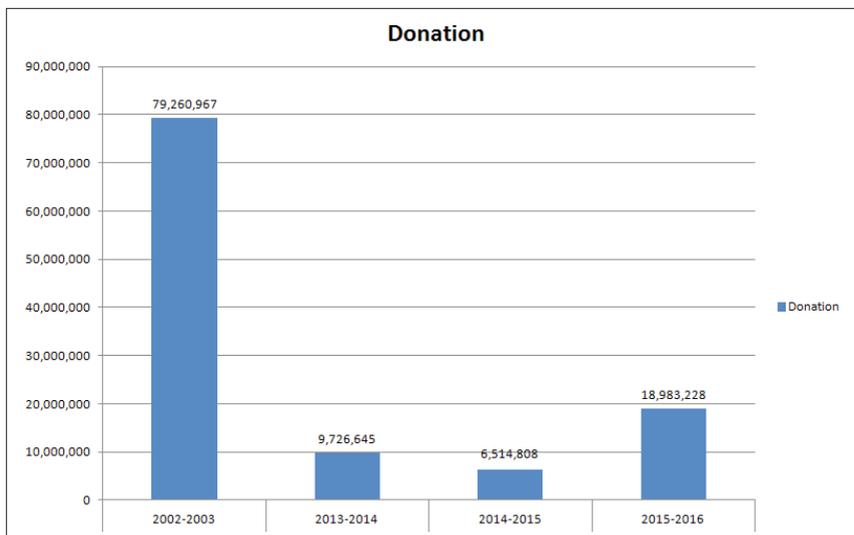
## Major Donors

The following are the major donors to the Fund:

1	Name of the Donor	Amount (US\$)
2	Royal Government of Bhutan	11,838,758
3	Government of Norway	1,306,371
4	Bill and Melinda Gates Foundation	1,000,000
5	The Summit Foundation	1,000,000
6	Dr. Frederick Paulsen Foundation	100,000
7	GAVI	102,000
8	Government of Australia	63,850
9	Government of New Zealand	53,374
10	Mr. Andrew Evans	50,000
11	Mr. Madanjeet Singh	50,000
12	Government of Turkey	50,000
13	Ecocap Movement, Japan	50,000 (Yen - 5,000,000)
14	Dzongsar Khyentse Rimpoche	42,500
15	Dr. Frank Rhomberg	38,568
16	World Bank (IBRD)	30,000

As may be seen from the above, the Royal Government of Bhutan topped the list with US\$ 11.801 million followed by 2002 Move for Health Walk Sponsorship with more than US\$ 1.7 million while the Royal Norwegian Government topped the list amongst external donors with more than US\$ 1.3 million.

## Yearly Donations from Move for Health:



## Achievements

- To initiate or introduce core elements of PHC (that includes introduction of Hepatitis B, HPV & MR vaccines worth US\$ 98,000 between 2003-2006)
- To finance gaps in programmes of the health sector in priority areas of PHC
- To co-finance donors (as a transition strategy). BHTF started co-financing of pentavalent vaccines with Global Alliance for Vaccines and Immunization (GAVI) since 2010, now GAVI has graduated from Bhutan.
- To sustain donor funded projects or programmes (as a graduation strategy). BHTF started full financing of pentavalent vaccines since 2015.
- 543 Essential Drugs costing USD 4 million annually distributed to 828 health facilities around the country benefitting 2,921,715 patients annually.
- Bhutanese health system has successfully maintained the immunization coverage above 90 percent since 2010. Accelerated programs such as expanded program for

immunization, intensification efforts of immunization program, have contributed to increasing national immunization coverage, which stands at 96 percent at present. Herd immunity, that is the degree of resistance to infection, is achieved when majorities of population are immunized.

Annual Vaccines coverage for 2015 includes;

BCG	Measles	OPV3	DPT- Hep B3	OPV 0
12648	12192	12204	12255	12648

- g. For HPV vaccines- 74,828 girls till 2014 which translates to 94 per cent of girls aged between 12-18
- h. BHTF is financing vaccines worth US\$ 95,000 and Essential Drugs worth USD 3.5 million in 2015-16. This is expected to increase annually as the health cross increases while the donors are gradually pulling out of Bhutan.

## Launching BHTF’s Financing of Essential Drugs and Vaccines 2015

HEALTH WALK 2015 was a historical and significant as the government formally launched the “Financing of Essential Drugs & Medicines” through Bhutan Health Trust Fund’s money. To witness the fruits of those who have donated and supported BHTF, the government has invited all the donors and well-wishers both from outside



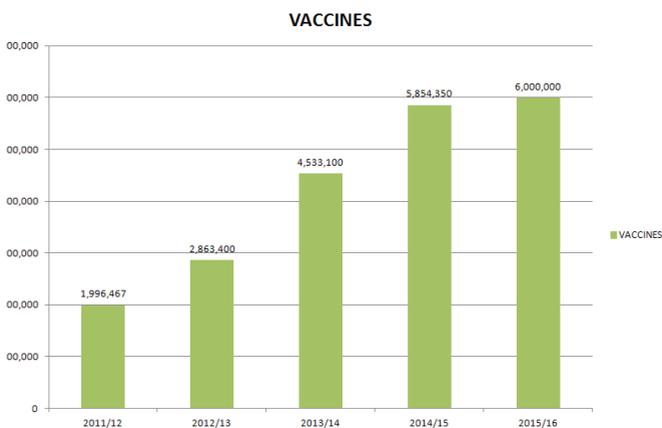
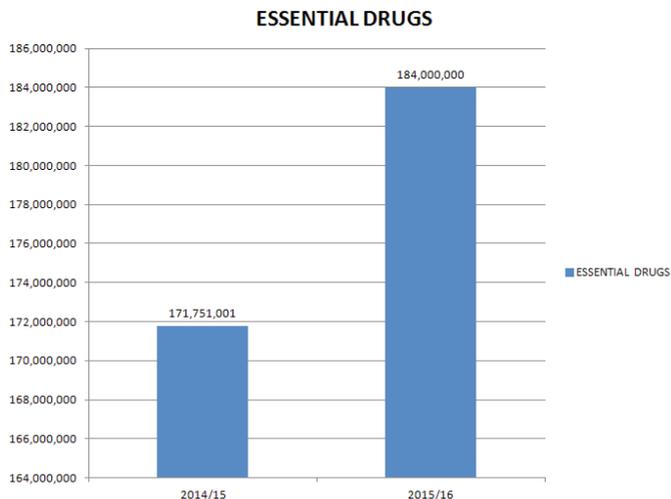
the country and inside the country. The launch was a great success. Representatives from 12 countries attended the launch event.

The Annual Health Walk 2015 was flagged off from Royal Thimphu College by Her Majesty Gyalyum Sangay Choden Wangchuck and Flag - in at Clock Tower. The other 19 Dzongkhags also observed the Health Walks by organizing similar events. The event raised Nu. 18,983,228/-

## Operationalization of the Fund

Since its establishment 15 years ago, Bhutan Health Trust Fund (BHTF) spent more than Nu.420 million on Essential Drugs and Vaccines and we are due to spend Nu.236 million in 2016-17 for the same.

The annual expenditures are given below in the graph below:

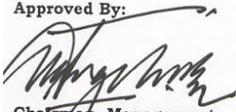
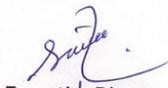


## Auditing of the Fund

The Fund for 2014-2015 was audited from 10 - 28 October 2015. The Income and Expenditure Statement and the Statement of Affairs (Balance Sheet) of the report are given below:

<b>BHUTAN HEALTH TRUST FUND</b>			
<b>Income and Expenditure Statement for the year ended 30th June 2015</b>			
Particulars	Schedule	30.06.2015 (Nu)	30.06.2014 (Nu)
<b>Income</b>			
Interest Income from investment	I	98,920,032.89	90,047,875.53
Miscellaneous Income	II	62,710.79	68,508.84
Health Contribution	VIII	138,354,192.07	-
Gain in Exchange Rate		445,009.41	612,574.35
<b>Total Income</b>		<b>237,781,945.16</b>	<b>90,728,958.72</b>
<b>Expenditure</b>			
Bank Commissions and Charges		847.88	61.00
Vaccine		5,854,350.00	4,533,100.00
Honorarium		30,000.00	30,000.00
Essential Drugs		171,751,001.00	
Loss in Exchange Rate		-	-
<b>Total Expenditures</b>		<b>177,636,198.88</b>	<b>4,563,161.00</b>
<b>Surplus (Deficit) for the year</b>		<b>60,145,746.28</b>	<b>86,165,797.72</b>

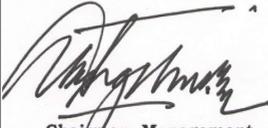
  

<p><b>Approved By:</b></p>  <p><b>Chairman, Management</b>  <b>BHTF TRUSTEE</b>          MINISTRY OF HEALTH          THIMPHU, BHUTAN</p>	<p><b>Prepared By:</b></p>  <p><b>Executive Director</b>          BHTF Secretaire , Thimphu  <b>Bhutan Health Trust Fund</b>          Ministry of Health, Thimphu</p>	<p><b>Certified By:</b></p> <p><b>Auditor, Royal Audit Authority Thimphu</b></p> 
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**BHUTAN HEALTH TRUST FUND**  
**Statement of Affairs ( Balance sheet) as at 30th June 2015**

Particulars	Schedule	30.06.2015(Nu)	30.06.2014(Nu)
<b>Assets</b>			
Investment in Local Currencies	III (A)	1,278,121,304.55	1,111,831,866.98
Investment abroad		-	106,013,431.99
Invest in FC A/C with BoB	III (B)	17,235.62	
Interest Accrued	IV	125,414,536.78	102,768,469.04
Sundry Debtors	VII	-	1,399,471.30
<b>Current Assets</b>			
Closing Bank Balance		1,000.00	14,880,283.61
<b>Total Assets</b>		<b>1,403,554,076.95</b>	<b>1,336,893,522.92</b>
<b>Financed By:</b>			
Capital Contributions	V	725,759,454.63	719,244,646.88
General Fund	VI	677,794,622.32	617,648,876.04
<b>Total Capital &amp; Reserves</b>		<b>1,403,554,076.95</b>	<b>1,336,893,522.92</b>

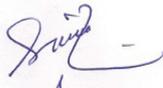
Approved By:



Chairman, Management Board, MoH

MINISTER  
 MINISTRY OF HEALTH  
 THIMPHU : BHUTAN

Prepared By:



Executive Director  
 BHTF, Thimphu  
 Bhutan Health Trust Fund  
 Ministry of Health, Thimphu

Certified By:



The Income and Expenditure Statement and the Statement of Affairs (Balance Sheet) of the report are given below;

**BHUTAN HEALTH TRUST FUND**  
**Statement of Affairs ( Balance sheet) as at 30th June 2016**

Particulars	Schedule	30.06.2016 (Nu)	30.06.2015(Nu)
<b>Assets</b>			
Investment in Local Currencies	II (A)	1,446,326,266.92	1,278,121,304.55
Investment abroad			-
Invest in FC A/C with BoB	II (B)	18,440.81	17,235.62
Interest Accrued	III	40,202,836.40	125,414,536.78
<b>Current Assets</b>			
Closing Bank Balance (S/B Account of BOBL)		9,492,786.09	1,000.00
<b>Total Assets</b>		<b>1,496,040,330.22</b>	<b>1,403,554,076.95</b>
<b>Financed By:</b>			
Capital Contributions	IV	744,899,025.62	725,759,454.63
General Fund	V	751,141,304.60	677,794,622.32
<b>Total Capital &amp; Reserves</b>		<b>1,496,040,330.22</b>	<b>1,403,554,076.95</b>

Approved By:

Prepared By:

Certified By:

  
 Chairman, Management  
 Bhutan Health Trust Fund

  
 Director, Bhutan Health Trust Fund

  
 Auditor, Royal Audit  
 Authority Thimphu

Director  
 Bhutan Health Trust Fund



**BHUTAN HEALTH TRUST FUND**  
**Income and Expenditure Statement for the year ended 30th June 2016**

Particulars	Schedule	30.06.2016 (Nu)	30.06.2015 (Nu)
<b>Income</b>			2
Interest Income from investment	I	122,456,267.20	98,920,032.89
Miscellaneous Income		Nil	62,710.79
Health Contribution	VI	140,045,404.07	138,354,192.07
Gain in Exchange Rate		1,205.19	445,009.41
<b>Total Income</b>		<b>262,502,876.46</b>	<b>237,781,945.16</b>
<b>Expenditure</b>			
Bank Commissions and Charges		815.00	847.88
Vaccine		6,000,000.00	5,854,350.00
Honorarium		30,000.00	30,000.00
Essential Drugs		183,125,379.18	171,751,001.00
Loss in Exchange Rate			-
<b>Total Expenditures</b>		<b>189,156,194.18</b>	<b>177,636,198.88</b>
<b>Surplus (Deficit) for the year</b>		<b>73,346,682.28</b>	<b>60,145,746.28</b>

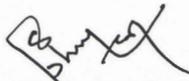
Approved By:

Prepared By:

Certified By:



Chairman, Management  
Bhutan Health Trust Fund



Director, Bhutan Health Trust  
Fund



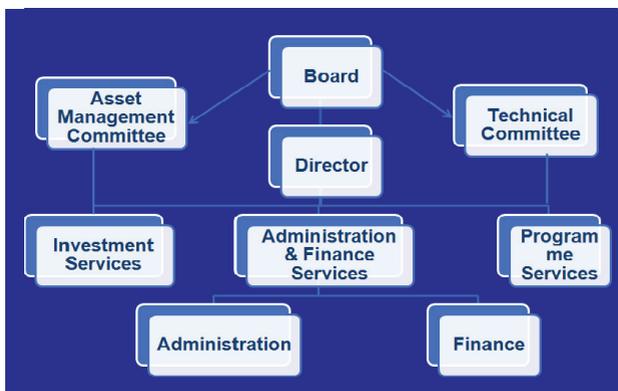
Auditor, Royal Audit  
Authority Thimphu

Director  
Bhutan Health Trust Fund



## Autonomy and Organogram

BHTF has been delinked from MoH and now operate from a new office in the core Thimphu area. As per the delinking order the new office has been established with necessary staffing and space.



## Management Board

1. Honorable Minister of Health, Chairperson, BHTF
2. Secretary, Ministry of Health
3. Secretary, Ministry of Finance
4. Secretary, Gross National Happiness Commission
5. President, Bhutan Chambers of Commerce and Industry
6. Director, Department of Medical Services
7. Director, BHTF (Ex-officio Member Secretary)

## Acknowledgement

Bhutan Health Trust Fund Secretariat would like to thank all the valued donors for their continued support to this noble cause and express its hope that they would continue to support this cause in the years ahead.

## Annexure

### Summary of Annual Donation (2015-16)

<b>S/N</b>	<b>DETAILS</b>	<b>AMOUNT</b>
1	DZONGKHAGS	7,139,625
2	MINISTRIES/ORGANISATION	1,048,206
3	INDIVIDUALS	1,147,593
4	FOREIGN	9,647,804
	<b>TOTAL</b>	<b>18,983,228</b>

### Detailed list of Annual Donors (2015-16)

<b>S/N</b>	<b>DZONGKHAGS</b>	<b>AMOUNT</b>
1	Thimphu Dzongkhag	350,000
2	Pemagatshel+Nganglam	266,638
3	Trongsa	462,817
4	Punakha Dzongkhag (26,000)	773,001
5	Zhemgang	203,205
6	Gasa	76,933
7	Sarpang	312,077
8	Wangdue	990,785
9	Samdrup Jongkhar	777,362
10	Chukha	99,653
11	Trashi Yangtse	373,084
12	Dagana	268,965
13	Samtse	270,928
14	Paro	422,970
15	Haa	140,055
16	Lhuentse	269,622
17	Bumthang	602,153
18	Trashigang	190,000
19	Monggar	211,012
20	Tsirang	78,365
	<b>TOTAL</b>	<b>7,139,625</b>

<b>S/N</b>	<b>MINISTRIES/ORGANISATION</b>	<b>AMOUNT</b>
1	Royal Bhutan Police	150,000
2	MoH	128,404
3	Thimphu Thromde	100,000
4	Bhutan Tourism Corporation Limited	100,000
5	MoLHR	77,200
6	KGUMSB	76,751
7	Election Commission of Bhutan	50,000
8	T&K Construction	50,000
9	Bhutan Development Bank Limited	50,000
10	JDWNRH	50,000
11	Ministry of Economic Affairs	50,000
12	State Trading Corporation Limited	50,000
13	DHI	25,000
14	Nima Group of Companies	25,000
15	Bridge to Bhutan	15,000
16	DSB Enterprise	5,000
17	Ngangpa Pharmaceuticals and Medical Supplies	5,000
18	Cabinet Secretariat Staff	12,505
19	Ministry of Finance	28,346
	<b>TOTAL</b>	<b>1,048,206</b>

<b>S/N</b>	<b>INDIVIDUALS</b>	<b>AMOUNT</b>
1	His Eminence Lam Tshering Wangdi	200,000
2	Yum Thuji Zam	200,000
3	Omtay Penjore and Aum Phub Zam	100,000
4	Lyonpo Sangay Ngedup	100,000
5	Ms. Damcho Choden, Lhaimetog Exports and Imports	100,000

6	Changchha Group(10,000+2USD+100Yuan)	11,160
7	Aum Rinchen Dema	10,000
8	Sangay Tenzin	10,000
9	Nado Tshering	2,500
10	Donation Box	2,256
11	Raffael Omtay Penjore	2,101
12	Shanti Ram Katel	2,000
13	Lobzang Dorji (CAO, MoH)	1,000
14	Labdo	1,000
15	Kamei Katsuhino	1,000
16	Degu	1,000
17	Dema	1,000
18	Noah	500
19	Dasho Ugyen Tshechup	3,000
20	Sushmita	200
21	Kesang Dorji	150
22	Sonam Wangdi, MoH (120 USD)	7,726.20
23	Steve Newhouse(C/o Yangphel Adventure, 17111331, ceo@yangphel.com)	325,000
24	Mr. Alan C. McNabb and Mrs. Charity Appell McNabb; Director of Bhutan Oral Literature Project	66,000
	TOTAL	1,147,593

<b>S/N</b>	<b>FOREIGN ORGANISATION/ INDIVIDUALS</b>	<b>AMOUNT</b>	<b>NGULTRUM EQUIVALENT</b>
1	WHO SEARO (USD)	50,000	3,265,500
2	Helping Hands (USD)	7,000	467,199.10
3	Government of Turkey (USD)	50,000	3,203,974
4	Eco Cap Movement, Japan (Yen)	5,000,000	2,711,131
	Total		9,647,804