

A large, dense crowd of young children, likely students, are shown from the chest up. They are wearing school uniforms, many in red and white plaid jackets. The children are smiling and looking towards the camera, creating a vibrant and positive atmosphere. The background is filled with more children, suggesting a large group photo or a school assembly.

ANNUAL PROGRESS REPORT (2010-2012)

Contents

CONTENTS

PAGE NO.

Message From The
Chairman

1

Vision

2

Objective

2

Target

2

Beneficiaries

2

Operationalization of the Fund

2

Major Donors

4

Status of the Fund

5

Auditors and audit of the Fund

6

Conclusion

18



Ensuring proper storage of vaccines, a way to a successful immunization

ACRONYMS

BDBL	Bhutan Development Bank Ltd.
BHTF	Bhutan Health Trust Fund
BNB	Bhutan National Bank Ltd.
BOB	Bank of Bhutan
DPNB	Druk Punjab National Bank
GAVI	Global Alliance for Vaccines and Immunization
MoH	Ministry of Health
RAA	Royal Audit Authority
RGoB	Royal Government of Bhutan
RICBL	Royal Insurance Corporation of Bhutan Ltd
RMA	Royal Monetary Authority
WHO	World Health Organization

MESSAGE FROM THE CHAIRMAN



Lyonpo Zangley Drukpa, Minister of Health
& Chairman of Bhutan Health Trust Fund

It is a pleasure to bring out the Annual Progress Report of the Bhutan Health Trust Fund. It is gratifying to note that the Trust Fund is playing a greater role in meeting the basic health care needs of the Bhutanese population especially in funding the procurement of vaccines. I am proud to note that BHTF will be able to take over the funding requirements of vaccines when GAVVI phases out by 2015.

I am confident that BHTF will further be able to fulfill the

mandate as enshrined in the Royal Charter 2000 of funding the procurement of essential drugs as well.

I would like to thank all our donors who have supported the Trust fund either directly or indirectly to bring it to its present status of Nu 1,180,188, 673.13. I am confident that they will continue to extend their valuable support. The support of our valued donors including individuals, families, communities, organizations and well wishers of Bhutan will play a crucial role in taking the Fund to its new height in the years ahead.

TashiDelek!

Lyonpo Zangley Dukpa
Chairman

Management Board
Bhutan Health Trust Fund

VISION

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

MISSION

To help sustain primary health care through the assurance of continued and uninterrupted supply of critical vaccines and essential drugs.

Eliminate financing uncertainties for priority health care services out of income generated from investment of the Fund.

TARGET

To mobilize US\$ 24.00 million based on the principle of one-to-one partnership.

BENEFICIARIES

All the citizens of the country irrespective of their gender

OPERATIONALIZATION OF THE FUND

The operationalization of the Fund began from 2003-2004 Financial Year. Since then, it has supported Vaccine Programs and it continues to support these Programs. Since operationalization, the Fund has supported the procurement of essentials vaccines as per the details provided hereunder:

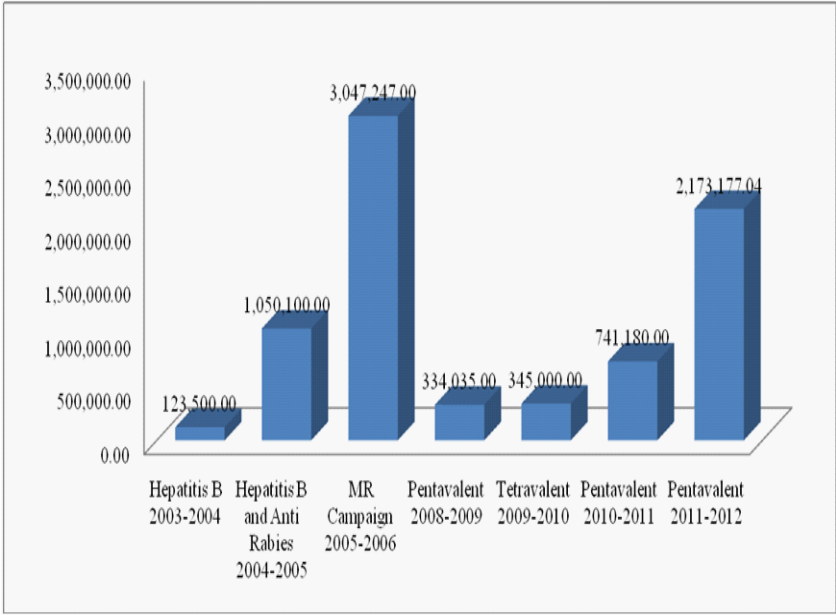


Fig 1.0 Expenditure of BHTF in (Nu)

An amount of Nu 2,963,723 (Ngultrum Two Million Nine Hundred Sixty Three Thousand Seven Hundred Twenty Three Only) had been released to the concerned implementing agencies in support of the procurement of Pentavalent vaccines, syringes and safety boxes, by way of co-financing with GAVI.

These vaccines had been utilized throughout the country in the year 2010-2012.

Major Donors

The following are the major donors to the Fund:

- Royal Govt. of Bhutan
- 2002 Move for Health Walk Sponsorship ***
- Royal Norwegian Govt.
- The Summit Foundation
- Bill & Melinda Gates Foundation
- Dr. Frederick Paulsen Foundation Inc.
- Govt. of Australia
- Govt. of New Zealand
- Mr. Andrew Evans
- Mr. Madanjeet Sing
- Dr. Franz Rhomberg
- Private Sector of Bhutan
- Schools

*** Includes contributions from various Ministries, Corporations, Private Sector, 20 Dzongkhags, Bhutanese Embassies, friends/well-wishers from abroad, etc.

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\$ 1.5 million while the Royal Norwegian Government topped the list amongst external donors with more than US\$ 1.3 million.

STATUS OF THE FUND

Safe and sound investments play a key role in strengthening the capitalization of the Fund. Management cannot afford to invest money in risky avenues as the management is solely accountable to each and every contribution, whether small, medium or large, received from various donors throughout the country and beyond.

As of 30 June 2012, the total fund stands at Nu 1,180,188,673.13. About 98% of the Fund is invested in various avenues such as Short Term Deposits, Fixed Deposits, Savings Deposits, Bonds, etc. More than Nu 994.14 million were invested within the country in Local currencies as of 30 June 2012. The investments included fixed deposits, short term deposits, bonds in Druk Air, Royal Insurance Corporation of Bhutan Ltd., etc.

Details on the various investments are as per the details provided here under:

Sl #	Particulars	2011-2012 (Nu)	2010-2011 (Nu)
1	Investment in Fixed Deposit	663,050,670.00	557,450,670.00
2	Investment in S/B Deposit	13,592.60	1,003,745.00
3	Investment in Druk Air Bond	25,062,000.00	25,062,000.00
4	Investment in RGoB Loan	276,000,000.00	345,000,000.00
5	Investment RICBL Bond	10,000,000.00	10,000,000.00
6	Other Investments (DPNB)	9,950.00	9,950.00
7	Investment in DPNB Bond	20,000,000.00	-
8	Other Investment (BDBL)	5,000.00	-
	Total Investment	994,141,212.60	938,526,365.00

Investment in Foreign currencies for the year ended 30 June 2012 Particulars			
Sl #	Particulars	2011-2012 (Nu)	2010-2011 (Nu)
1	USD Investment (Equiv. Nu)	96,924,552.02	75,797,862.06

2011-2012 saw a return of more than Nu 60.4 million from various investments as against Nu 49.69 million in 2010-2011; thus an increase of about 21.6 %.

AUDITORS AND AUDIT OF THE FUND

During its first meeting held on 10 May 2001, the Board appointed the Royal Audit Authority of Bhutan (RAA) as the Auditor of the Fund.

Since then the Royal Audit Authority has audited the Fund for the following periods:

- Inception to June 2005
- July 2005 to June 2006
- July 2006 to June 2007
- July 2007 to June 2008
- July 2008 to June 2009
- July 2009 to June 2010
- July 2010 to June 2011
- July 2011 to June 2012

As of 30 June 2012, 8 audits have been conducted and 7 Audit Certification Reports have been shared with major donors.

The Fund for 2011-2012 was audited from 29 October 2012 to 09 November 2012. This is the eighth audit of the Fund since its launching on 12 May 1998.

The Income and Expenditure Statement and the Statement of Affairs (Balance Sheet) of the Report is given below:

Bhutan Health Trust Fund
Statement of Affairs (Balance sheet) as at 30th June 2011

Particulars	Schedule	30.06.2011 (Nu)	30.06.2010 (Nu)
Assets			
Investment in Local Currencies	III (A)	938,526,365.00	900,063,499.83
Investment abroad	III (B)	75,797,862.06	77,023,184.80
Interest Accrued	IV	77,961,547.65	71,454,845.96
Current Assets			
Closing Bank Balance		10,474,697.98	1,075,184.34
Total Assets		1,102,760,472.69	1,049,616,714.93
Financed By:			
Capital Contributions	V	709,515,001.04	702,792,318.62
General Fund	VI	393,245,471.65	346,824,396.31
Total Capital & Reserves		1,102,760,472.69	1,049,616,714.93

Prepared by:


 Executive Director
 BHTF Secretariat
 Thimphu

Approved by:


 ✓ Chairman
 Management Board
 BHTF, Thimphu

Certified by:


 ✓ Auditor
 Royal Audit Authority
 Thimphu



Bhutan Health Trust Fund
Statement of Affairs (Balance sheet) as at 30th June 2012

Particulars	Schedule	30.06.2012 (Nu)	30.06.2011 (Nu)
Assets			
Investment in Local Currencies	III (A)	994,141,212.60	938,526,365.00
Investment abroad	III (B)	96,924,552.02	75,797,862.06
Interest Accrued	IV	86,132,943.12	77,961,547.65
Current Assets			
Closing Bank Balance		2,989,965.39	10,474,697.98
Total Assets		1,180,188,673.13	1,102,760,472.69
Financed By:			
Capital Contributions	V	709,518,001.04	709,515,001.04
General Fund	VI	470,670,672.09	393,245,471.65
Total Capital & Reserves		1,180,188,673.13	1,102,760,472.69

Prepared by:



Executive Director
 BHTF Secretariat
 Thimphu

Executive Director
Bhutan Health Trust Fund
Ministry of health
Thimphu : Bhutan

Approved By:



Chairman
 Management Board
 BHTF, Thimphu

Chairman
Management Board
Bhutan Health Trust Fund
Thimphu : Bhutan

Certified By:



Royal Audit Authority
 Thimphu



Bhutan Health Trust Fund

Income and Expenditure Statement for the year ended 30th June 2011

Particulars	Schedule	30.06.2011 (Nu)	30.06.2010 (Nu)
Income			
Interest Income from investment	I	49,694,477.89	46,349,666.62
Miscellaneous Income	II	106,240.00	218,820.00
Gain in Exchange Rate		-	-
Total Income		49,800,717.89	46,568,486.62
Expenditure			
Bank Commissions and Charges		50.00	50.00
Vaccine		967,256.00	-
Honorarium		10,000.00	20,000.00
Loss in Exchange Rate		2,402,336.55	2,626,991.37
Total Expenditures		3,379,642.55	2,647,041.37
Surplus (Deficit) for the year		46,421,075.34	43,921,445.25

Prepared by:



Executive Director
BHTF Secretariat
Thimphu

Approved by:



Chairman
Management Board
BHTF, Thimphu

Certified by:



Royal Audit Authority
Thimphu

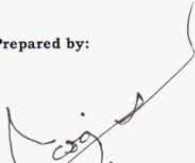


Bhutan Health Trust Fund

Income and Expenditure Statement for the year ended 30th June 2012

Particulars	Schedule	30.06.2012 (Nu)	30.06.2011 (Nu)
Income			
Interest Income from investment	I	60,421,596.68	49,694,477.89
Miscellaneous Income	II	60,760.00	106,240.00
Gain in Exchange Rate		18,972,379.67	-
Total Income		79,454,736.35	49,800,717.89
Expenditure			
Bank Commissions and Charges		3,068.91	50.00
Vaccine		1,996,467.00	967,256.00
Honorarium		30,000.00	10,000.00
Loss in Exchange Rate		-	2,402,336.55
Total Expenditures		2,029,535.91	3,379,642.55
Surplus (Deficit) for the year		77,425,200.44	46,421,075.34


Prepared by:



Executive Director
BHTF Secretariat
Thimphu

Executive Director
Bhutan Health Trust Fund
Ministry of health
Thimphu : Bhutan


Approved By:



Chairman
Management Board
BHTF, Thimphu

Chairman
Management Board
Bhutan Health Trust Fund
Thimphu : Bhutan

Certified By:



Royal Audit Authority
Thimphu



Schedule I			
Interest Income earned from Local currencies for the year ended 30 June 2011			
Sl. No	Particulars	2011 (Nu)	2010 (Nu)
1	Interest Income from Fixed Deposit	20,397,209.33	20,575,797.60
	Interest Income from S/B Deposit	6,511,976.42	-
2	Interest Income from Druk Air Bond	1,879,650.00	1,879,650.00
3	Interest Income from RGoB Loan	19,047,780.82	22,842,780.82
4	Interest Income from RICBL Bond	700,000.00	-
5	Interest Income from USD Investment abroad	1,157,861.32	1,051,438.20
	Total Interest Income	49,694,477.89	46,349,666.62

Schedule I			
Interest Income earned from Local currencies for the year ended 30 June 2012			
Sl. No	Particulars	2012 (Nu)	2011 (Nu)
1	Interest Income from Fixed Deposit	40,969,288.55	20,397,209.33
	Interest Income from S/B Deposit	47,095.71	6,511,976.42
2	Interest Income from Druk Air Bond	1,879,650.00	1,879,650.00
3	Interest Income from RGoB Loan	15,252,780.82	19,047,780.82
4	Interest Income from RICBL Ltd. Bond	700,000.00	700,000.00
5	Interest Income from USD Investment abroad	1,572,781.60	1,157,861.32
	Total Interest Income	60,421,596.68	49,694,477.89

Schedule II**Miscellaneous Income for the year ended 30 June 2011**

Sl. No		Receipt No and Date.	Amount (Nu)
1	Parking Fee from JDWNR Hospital	2393dt.12/07/2010	17,420.00
2	-Do-	2396 dt.08/09/2010	16,030.00
3	Rental income from S/jongkhar Hospital Canteen	2399dt.06/10/2010	11,965.00
4	-Do-	2400dt.10/12/2010	3,965.00
5	-Do-	2403dt.07/03/2011	7,965.00
6	-Do-	2404 dt.11/03/2011	3,965.00
7	-Do-	2406 dt.20/04/2011	3,965.00
8	-Do-	2407 dt. 25/05/2011	3,965.00
9	Rental Income from JDWNR Hospital	2391dt.01/07/2010	9,250.00
10	-Do-	2394 dt.27/07/2010	9,250.00
11	-Do-	2395 dt.25/08/2010	9,250.00
12	-Do-	2397dt.30/09/2010	9,250.00
			106,240.00

Schedule II**Miscellaneous Income for the year ended 30 June 2012**

Sl. No		Receipt No and Date.	Amount (Nu)
1	Rental income from S/jongkhar Hospital Canteen	2408 dt.14/07/2011	3,965.00
2	-Do-	2409 dt.24/08/2011	3,965.00
3	-Do-	2410 dt.28/09/2011	3,965.00
4	-Do-	2411 dt.23/11/2011	3,965.00
5	-Do-	2412 dt.16/12/2011	3,965.00
6	-Do-	2413 dt.23/01/2012	7,965.00
7	-Do-	2415 dt.29/03/2012	3,965.00
8	-Do-	2416 dt.29/03/2012	3,965.00
9	-Do-	2417 dt.22/05/2012	7,930.00
10	-Do-	2418 dt.31/05/2012	3,965.00
11	-Do-	2419 dt.21/06/2012	4,715.00
12	-Do-	2420 dt.21/06/2012	4,215.00
13	-Do-	2421 dt.21/06/2012	4,215.00
			60,760.00

Schedule III (A)			
Investment in Local/Foreign currencies for the year ended 30 June 2011			
Sl. No	Particulars	2011 (Nu)	2010 (Nu)
1	Investment in Fixed Deposit	557,450,670.00	450,991,499.83
2	Investment in S/B Deposit	1,003,745.00	
3	Investment in Druk Air Bond	25,062,000.00	25,062,000.00
4	Investment in RGoB Loan	345,000,000.00	414,000,000.00
5	Investment in RICBL Bond	10,000,000.00	10,000,000.00
6	Other Investment(DPNB)	9,950.00	10,000.00
	Total Investment	938,526,365.00	900,063,499.83

Schedule III (B)			
Investment in Foreign currencies for the year ended 30 June 2011			
Sl. No	Particulars	2011 (Nu)	2010 (Nu)
6	USD Investment (Equiv.Nu.)	75,797,862.06	77,023,184.80
	Total Investment	75,797,862.06	77,023,184.80

Schedule III			
Schedule III (A)			
Investment in Local currencies for the year ended 30 June 2012			
Sl. No	Particulars	2012 (Nu)	2011 (Nu)
1	Investment in Fixed Deposit	663,050,670.00	557,450,670.00
2	Investment in S/B Deposit	13,592.60	1,003,745.00
3	Investment in Druk Air Bond	25,062,000.00	25,062,000.00
4	Investment in RGoB Loan	276,000,000.00	345,000,000.00
5	Investment in RICBL Bond	10,000,000.00	10,000,000.00
6	Other Investment(DPNB)	9,950.00	9,950.00
7	Investment in DPNB Bond	20,000,000.00	-
8	Other Investment(BDBL)	5,000.00	-
	Total Investment	994,141,212.60	938,526,365.00

Schedule III (B)			
Investment in Foreign currencies for the year ended 30 June 2012			
Sl. No	Particulars	2012 (Nu)	2011 (Nu)
6	USD Investment (Equiv.Nu.)	96,924,552.02	75,797,862.06
	Total Investment	96,924,552.02	75,797,862.06

Schedule IV					
Interest Accrued on Fixed Deposit/RGoB Loan as on 30 June 2011					
Sl. No.	Initial Investment	Current Investment	2011 (NU)	2010 (NU)	Remarks
1	69,000,000.00	69,000,000.00	16,862,465.76	13,412,465.76	F.D-BNB Ltd
2	44,000,000.00	44,000,000.00	10,752,876.71	8,552,876.71	F.D-BNB Ltd
3	10,000,000.00	10,000,000.00	1,987,671.24	1,487,671.24	F.D-BNB Ltd
4	50,000,000.00	50,000,000.00	9,938,356.17	7,438,356.17	F.D-BNB Ltd
5	50,000,000.00	50,000,000.00	9,938,356.17	7,438,356.17	F.D-BNB Ltd
6	20,700,000.00	20,700,000.00	4,023,739.73	2,988,739.73	F.D-BNB Ltd
7	11,500,000.00	11,500,000.00	2,027,967.62	1,395,467.62	F.D-BNB Ltd
8	101,318,859.95	-	-	4,871,632.86	Matured
9	44,600,000.00	-	-	669,000.00	Matured
10	44,600,000.00	-	-	669,000.00	Matured
11	4,295,182.35	-	-	197,107.68	Matured
12	977,457.53	-	-	856.95	Matured
13	1,003,745.00	1,003,745.00	787,751.89	-	S/B-BNB Ltd
14	69,128,408.00	69,128,408.00	734,489.33	-	F.D-DPNB
15	69,128,408.00	69,128,408.00	734,489.33	-	F.D-DPNB
16	69,128,408.00	69,128,408.00	734,489.33	-	F.D-DPNB
17	47,432,723.00	47,432,723.00	413,899.24	-	F.D-DPNB
18	47,432,723.00	47,432,723.00	413,899.24	-	F.D-DPNB
		558,454,415.00			
15	690,000,000.00	345,000,000.00	18,611,095.89	22,333,315.07	RGoB Loan
	Total	903,454,415.00	77,961,547.65	71,454,845.96	

Schedule IV					
Interest Accrued on Fixed Deposit/RGoB Loan as on 30 June 2012					
Sl. No.	Initial Investment	Current Investment	2012 (NU)	2011 (NU)	Remarks
1	69,000,000.00	-	-	16,862,465.76	Matured
2	44,000,000.00	-	-	10,752,876.71	Matured
3	10,000,000.00	10,000,000.00	2,488,359.91	1,987,671.24	F.D-BNB Ltd
4	50,000,000.00	50,000,000.00	12,441,799.54	9,938,356.17	F.D-BNB Ltd
5	50,000,000.00	50,000,000.00	12,441,799.54	9,938,356.17	F.D-BNB Ltd
6	20,700,000.00	20,700,000.00	5,060,165.28	4,023,739.73	F.D-BNB Ltd
7	11,500,000.00	11,500,000.00	2,661,338.80	2,027,967.62	F.D-BNB Ltd
8	37,300,000.00	37,300,000.00	1,527,703.25	-	F.D-DPNB
9	37,300,000.00	37,300,000.00	1,527,703.25	-	F.D-DPNB
10	86,250,000.00	86,250,000.00	5,751,033.01	-	F.D-BNB Ltd
11	55,000,000.00	55,000,000.00	3,667,325.40	-	F.D-BNB Ltd
12	1,003,745.00	13,592.60	-	787,751.89	S/B-BNB Ltd
13	69,128,408.00	69,128,408.00	3,672,446.65	734,489.33	F.D-DPNB
14	69,128,408.00	69,128,408.00	3,672,446.65	734,489.33	F.D-DPNB
15	69,128,408.00	69,128,408.00	3,672,446.65	734,489.33	F.D-DPNB
16	47,432,723.00	47,432,723.00	6,329,749.24	413,899.24	F.D-DPNB
17	47,432,723.00	47,432,723.00	6,329,749.24	413,899.24	F.D-DPNB
18	1,700,000.00	1,700,000.00	-	-	F.D-BDBL
19	1,050,000.00	1,050,000.00	-	-	F.D-BNB Ltd
		663,064,262.60			
20	690,000,000.00	276,000,000.00	14,888,876.71	18,611,095.89	RGoB Loan
	Total	939,064,262.60	86,132,943.12	77,961,547.65	

Schedule V					
Capital Contributions as on 30 June 2011					
Sl. No	Particulars	2011	(Nu)	2010	(Nu)
1	Contributions brought forward (01.07.2010)	702,792,318.62			
2	Capital Contributions for the year	6,722,682.42		702,792,318.62	
	Total for the period ended 30.6.2011	709,515,001.04		702,792,318.62	

Schedule V			
Capital Contributions as on 30 June 2012			
Sl. No	Particulars	2012	2011
		(Nu)	(Nu)
1	Contributions brought forward (01.07.2011)	709,515,001.04	
2	Capital Contributions for the year	3,000.00	709,515,001.04
	Total for the period ended 30.6.2011	709,518,001.04	709,515,001.04

Schedule VI			
Details of General Fund as on 30 June 2011			
Sl. No	Particulars	2011	2010
		(Nu)	(Nu)
1	Surplus (Deficit) brought forward	346,824,396.31	
2	Surplus for the year ended 30.06.2011	46,421,075.34	346,824,396.31
	Total	393,245,471.65	346,824,396.31

Schedule VI			
Details of General Fund as on 30 June 2011			
Sl. No	Particulars	2012	2010
		(Nu)	(Nu)
1	Surplus (Deficit) brought forward	393,245,471.65	
2	Surplus for the year ended 30.06.2011	77,425,200.44	393,245,471.65
	Total	470,670,672.09	393,245,471.65

CONCLUSION

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.

Without continued support from the generous donors abroad and within, Bhutan Health Trust Fund would surely fail to fulfill its vision.

WAY TO CONTRIBUTE

Executive Director
Bhutan Health Trust Fund
Ministry of Health
Thimphu Bhutan
Telephone: 975 2 324632
Facsimile: 975 2 324632
Email: edbhtf@health.gov.bt
Visit us at: www.bhtf.bt

Permanent Mission of Bhutan to
the United Nations
17-19, Chemin du-Champ d'
Anier
1209 Geneva
Switzerland
Telephone: 41 22 7990890 96
Facsimile: 41 22 7990899
Email: mission.bhutan@ties.itu.int

Royal Bhutanese Embassy
House No. F5 (SE)
Gulshan Avenue
Gulshan, Dhaka
Bangladesh
Telephone: 880 2 8826863
880 2 8827160
880 2 8823939
Email: bhtemb@bdmail.net

Royal Bhutanese Embassy
Adailiya- Block 3
Essa Abdul Rahman Al- Assoussi
Street
Jaddah No. 32-Villa No. 7
Kuwait
Po Box 1510
Telephone: 965 2516640/50
Facsimile : 965 2516550
Email: bhutankuwait@hotmail.com

Permanent Mission of Bhutan to
the United Nations
2, UN Plaza, 27th floor
New York, N.Y. 10017 USA
Telephone: 212 826 1919/212
826 1991
Facsimile: 212 826 2998
Email: pmbnewyork@aol.com

Royal Bhutan Embassy
375/1 Ratchadanivej
Paracha-Uthit Road, Samsennok,
HuayKwang
Bangkok 10320, Thailand

Royal Bhutanese Embassy
Chanakyapuri, New Delhi,
110021
India
Telephone: 91 11 26889230
26889809
26889807
Facsimile: 91 11 26876710
: 91 11 24674664
Email : Bhutan@vsnl.net.in