

BIENNIAL PROGRESS REPORT

2016-2018



BHUTAN

HEALTH TRUST FUND

Sustaining Primary Health Care Services in Bhutan



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2016 - 2018

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Lyonpo Tandin Wangchuk
Chairman, Management Board
Bhutan Health Trust Fund

Message from the Chairperson

I am pleased to share with you the 2016-18 Biennial Progress Report for the Bhutan Health Trust Fund. Much has been accomplished in these past years. The commemorative 'Move for Health Walk' of 2018 was a resounding success involving people across the nation. The Live Special Health Lottery draw being the first-ever

event in Bhutan was not only received well but managed to raise an additional fund of Nu 30 million. The year 2018 also ushered in a new era in BHTF's history with its delinking from the RCSC, commencing its objective of moving towards becoming an Autonomous Agency. The Royal Government's contribution of Nu 500 million to BHTF was also made during the Special health Lottery draw.

Over the years, BHTF has been gradually increasing its support for the funding of the essential drugs and vaccines and I am confident that BHTF will grow from strength to strength to fulfil the mandates of the Royal Charter in the coming years.

Our success story is interwoven with the goodwill and the contributions made by our donors, for which we would like to extend our heartfelt gratitude. I am hopeful that you will continue to extend your valuable support in BHTF's mission to sustain this primary healthcare for all times to come.

As we move forward, I would like to assure you that BHTF will continue to serve with renewed vigour for the service of our nation.

Tashi Delek

About BHTF

The Bhutan Health Trust Fund, formerly known as the Trust Fund, is an initiative of the Royal Government of Bhutan, which was launched on 12th May 1998 at the WHO Headquarters in Geneva, coinciding with the 51st Session of the World Health Assembly. The Royal Charter, which was issued by His Majesty the King Jigme Singye Wangchuck in the year 2000, formally established the trust fund as the Bhutan Health Trust Fund. The Bhutan Health Trust fund plays a critical role in financing the purchase of essential drugs and helps in the funding of the sustainability of primary health care in Bhutan.

Since its inception, Bhutan Health Trust Fund (BHTF) has grown gradually to become an integral and indispensable part of the health care system. BHTF has been co-funding the cost of vaccines along with other development partners like WHO and GAVI since 2003. BHTF started funding the cost of essential drugs from 2014.

Numerous activities have been undertaken to mobilize funds for the financial sustainability of the trust fund most notably, the annual 'Move for Health.' It was an initiative undertaken by the then Minister of Health, Hon'ble Lyonpo Sangay Ngedup, who walked a distance of 560 km from Tashigang to Thimphu and raised a sum of almost USD 2 million for the trust fund. Since then, commemorative Move for Health Walks have been carried out.

Our Team

Management Board

1. Honorable minister of Health, Chairperson
2. Secretary, Ministry of Health
3. Secretary, Ministry of Finance
4. Secretary, Gross National Happiness Commission
5. President, Bhutan Chamber of Commerce and industry
6. Director General, Department of Medical Services

Secretariat

1. Dr Sonam Phuntsho, Director
2. Mr. Lhaksam Choedrup, Programme Officer
3. Mrs. Sonam Zam Lhagyal, Programme Officer
4. Mrs. Chimi Dema, Adm
5. Mr. Sonam Chojay, Accountant
6. Mrs. Singay Zangmo, caretaker

VISION

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

MISSION

To help provide basic health care services to the people

Objective

- To help sustain Primary Health Care through continued and uninterrupted supply of essential drugs and vaccines, needles, syringes, cold chain equipment and other related drugs/ equipment
- To help eliminate financing uncertainties for priority core components of the Primary Health Care Services out of the income generated from the investment of the Fund
- To help achieve self-reliance in the Primary Health Care Sector

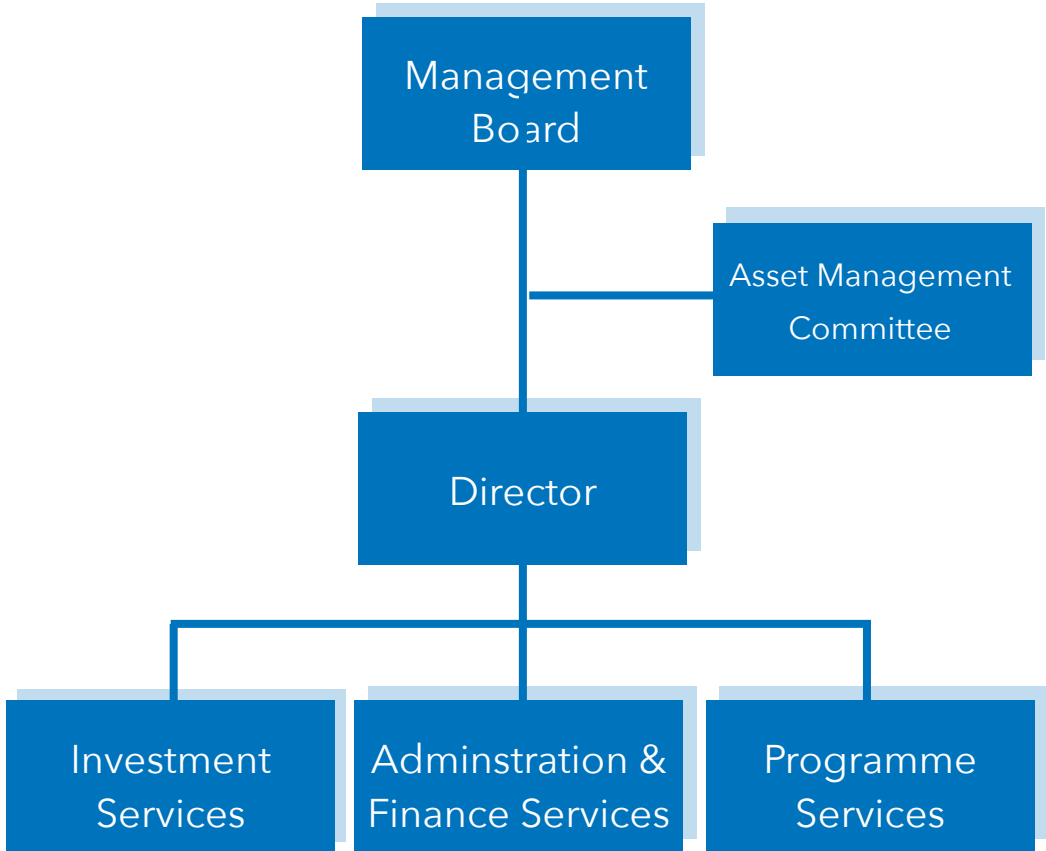
Target

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

Beneficiaries

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

Organogram



History of Major Donors

Bhutan Health Trust Secretariat wishes to acknowledge the major contributors to the fund

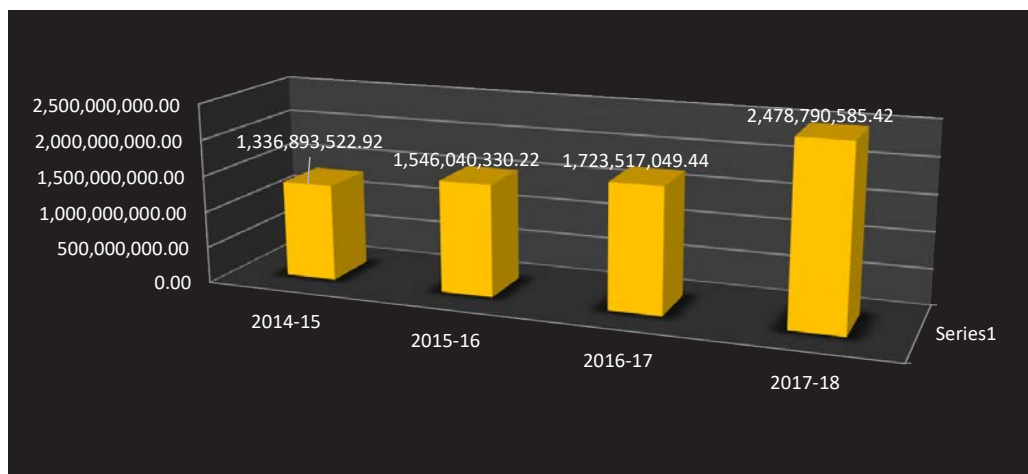
| Sl.No | Name of the Donor | Amount (US\$) |
|--------------|-----------------------------------|------------------------|
| 1 | Royal Government of Bhutan | 11,838,758 |
| 2 | Government of Norway | 1,306,371 |
| 3 | Bill and Melinda Gates Foundation | 1,000,000 |
| 4 | The Summit Foundation | 1,000,000 |
| 5 | Dr. Frederick Paulsen Foundation | 100,000 |
| 6 | GAVI | 102,000 |
| 7 | Government of Australia | 63,850 |
| 8 | Government of New Zealand | 53,374 |
| 9 | Mr. Andrew Evans | 50,000 |
| 10 | Mr. Madanjeet Singh | 50,000 |
| 11 | Government of Turkey | 50,000 |
| 12 | Ecocap Movement, Japan | 50,000 (Yen-5,000,000) |
| 13 | Dzongsar Khyentse Rimpoche | 42,500 |
| 14 | Dr. Frank Rhomberg | 38,568 |
| 15 | World Bank (IBRD) | 30,000 |

Financial Overview

Status of the Investment

The operationalization of the Fund began from 2003-2004 financial year funding the implementing agencies, namely JDWNRH, DMSHI and VPDP for the procurement of the vaccines and essential drugs. BHTF has spent more than Nu.782 million. For the sustainability of the fund, various domestic investments have been made. The following graphs provide BHTF’s financial overview from 2014-2018.

Figure 1. Fund status 2014-2018



**BHTF's capital fund has increased by 43.81% for the fiscal year 2017-18 compared to 2016-17 mainly due to the contribution of Nu. 500 million by the Royal Government of Bhutan.*

Figure 2: BHTF fund Status for 2016-17 and 2017-18

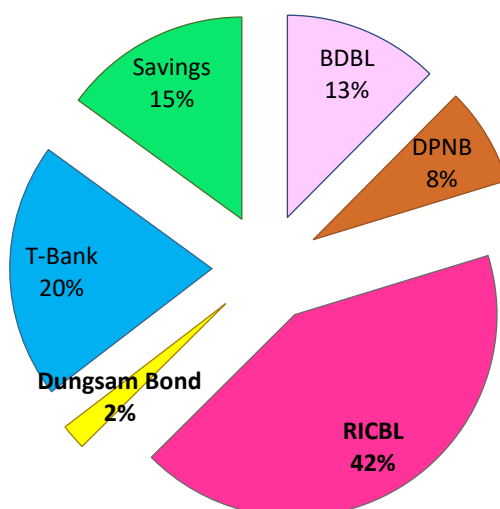
| Sl No | Particulars | 2016-17 | 2017-18 |
|-------|---|------------------|------------------|
| 1 | Fixed Deposit (Local Currency) | 906,849,204.00 | 977,849,204.00 |
| 2 | Saving Deposit (Local Currency) | 93,043,316.81 | 337,823,565.57 |
| 3 | Current Deposit (Local Currency) | 28,918,684.38 | 28,918,684.38 |
| 4 | Investment in Bonds and Annuity Schemes | 652,700,000.00 | 1,112,700,000.00 |
| 5 | Interest Accrued | 41,988,240.30 | 21,480,531.58 |
| 6 | Deposit in Foreign Currency account | 17,603.95 | 18,662.89 |
| Total | | 1,723,517,049.44 | 2,478,790,648.42 |

***USD Rates**

2016-2017 - Nu.65

2017-2018 - Nu.68.91

Figure 3. Investments in different financial institutions

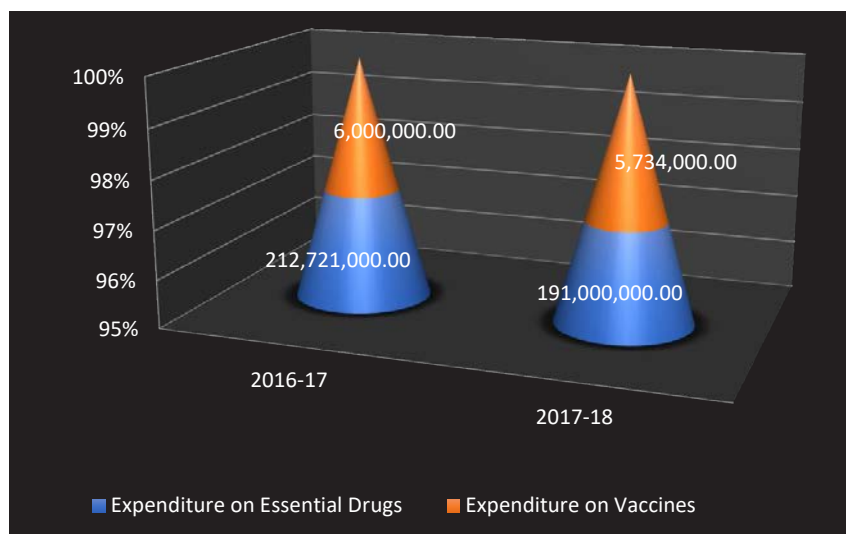


Summary of the Annual Donations (2016-2018)

| Particulars | 2016-17 | 2017-18 |
|---|----------------------|-----------------------|
| Royal Government of Bhutan | | 500,000,000 |
| His Holiness the Je Khenpo | | 10,000,000 |
| Individual | 7,335,391.45 | 521,557 |
| Dzongkhags | 1,937,250.08 | 600,439 |
| Organizations | 10,101,901.00 | |
| Corporation | 0.00 | |
| Individual/US dollars (Equivalent Nu.) | 334,623.00 | 127,300 |
| Total | 19,709,165.53 | 511,249,296.00 |

Fund Utilization

The operationalization of the fund began in 2003 with the procurement of Hepatitis B Vaccines and ARVs. Since then, the Fund has supported the procurement of essential vaccines and essential drugs as per the details hereunder:



Highlights of 2016 - 2018

1. **BHTF receives endowment fund of Nu 500 million from Royal Government of Bhutan**

The Royal Government of Bhutan (RGoB) contributed Nu. 500 million as per the 'one-to-one' partnership to match the Asian Development Bank's (ADB) commitment of USD 10 million towards BHTF as part of their Health Sector Development Program. This contribution was handed over to BHTF at the Clock Tower by the Hon'ble Finance Secretary on 5th February 2018.

2. **Delinking of BHTF and the drafting of the BHTF Rules and Regulations**

The BHTF, as per the Royal Charter, is expected to function as a self-sustaining financial entity to ensure the sustainability of primary health care in Bhutan. However, the autonomous state could not be granted in the past, probably, due to insufficient capital fund and human resources of the secretariat. ADB committed a grant of USD 10 million to the trust fund on a condition that the BHTF be delinked from the civil service and become a self-sustaining entity.

The groundwork towards establishing BHTF as an autonomous, self-sustaining entity began in the early 2017 with the drafting of the BHTF's Rules and Regulation. Subsequently, on 19th June 2018, BHTF was formally delinked from the Royal Civil Service Commission (RCSC).

3. **Special Move for Health Lottery**

To meet the target of Nu 3 billion, BHTF organized a Special Move for Health Lottery in collaboration with Bhutan Lottery Limited with the proceeds from the lottery to go directly towards the continued provision of essential drugs and vaccines.

Bhutan Lottery Limited conducted the draw at Clock Tower, Thimphu on 5th February 2018, coinciding with the Birth Anniversary of the Gyalsey. A total of 300,000 tickets (15,000 booklets) were printed with each ticket costing Nu 300. A total of around 134,182 lotteries were sold, with BHTF generating a profit of around Nu.29 million. The profit will go into funding the cost of essential drugs and vaccines in the country.

4. **South Korea visit**

A team led by the Chairman of the Bhutan Health Trust Fund (BHTF), Hon'ble Minister of Health, along with the Director and Programme Officer of BHTF visited Seoul, South Korea from 21-25 August 2016. The main objective of the visit was to explore and develop institutional linkages with health-related and philanthropist organizations/foundations. The visit was facilitated and coordinated by the President of Korea-Bhutan Friendship Association (KBFA) based in Seoul.

During the visit, the Bhutanese delegation was able to meet with the Minister of Health and Welfare and other key officials of the Korean Healthcare system. They shared their commitment to establishing future collaborations with the Royal Government of Bhutan and BHTF in providing medical aid and capacity building of medical personnel.

Glimpses of 2016-2018



The Je-Khenpo hands over an amount of Nu. 10 million to the Minister of Health, Lyonpo Tandin Wangchuk



The Special Move for Health Lottery



Aum Dorji Dema, the proud winner of the BHTF's first Special Lottery Draw



Launching of the Three New Vaccines in June 2018



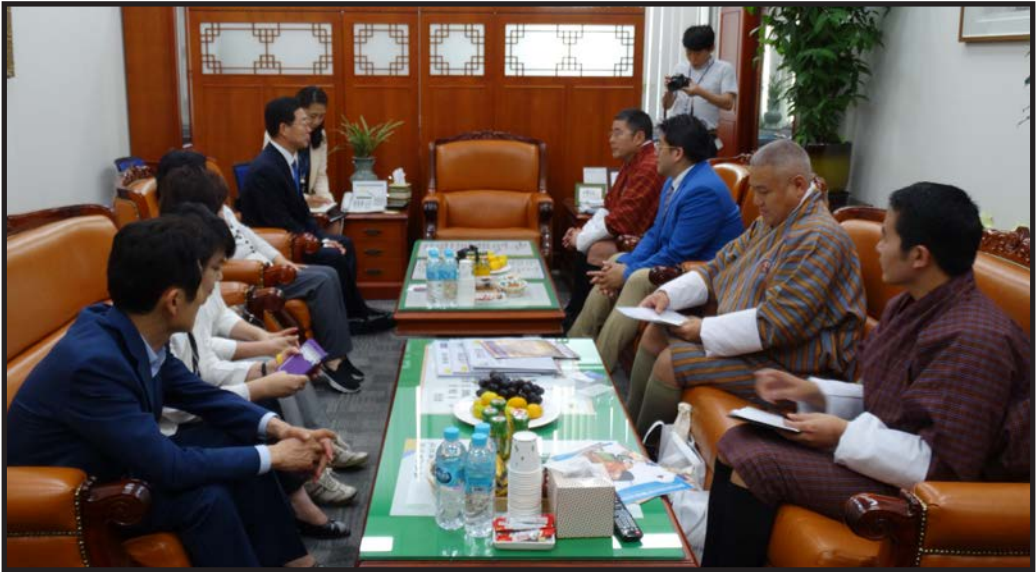
H.E. Lyonchen Tshering Tobgay speaking at the special lottery Draw at the Clock Tower, Thimphu



Minister of Health and the Thimphu Thrompon initiating the lottery draw



The BHTF team with Dr. Park, CEO, Asan Medical Centre during the S.Korea Visit



Meeting with the Chairman of Health and Welfare committee



BHTF team with Mr Moon, Former Presidential Candidate for the 18th President of Korea



Entertainments during the Lottery draw



Hon'ble Finance Secretary handing over the RGOB contribution of Nu 500 million to the BHTF Director



HPV vaccine being administered

Auditing of the Fund

The Income and Expenditure Statement and the Statement of Affairs (Balance Sheet) of the financial year 2016-2017 and 2017-2018 are given below:


1. 2016-2017 audited report

| BHUTAN HEALTH TRUST FUND | | | |
|---|----------|-----------------------|-----------------------|
| Income and Expenditure Statement for the year ended 30th June 2017 | | | |
| Particulars | Schedule | 30.06.2017 (Nu) | 30.06.2016 (Nu) |
| Income | | | |
| Interest Income from investment | I | 139,287,440.75 | 122,456,267.20 |
| Health Contribution | VI | 287,202,749.80 | 140,045,404.07 |
| Loss in Exchange Rate | | | 1,205.19 |
| Total Income | | 426,490,190.55 | 262,502,876.46 |
| Expenditure | | | |
| Bank Commissions and Charges | | 800.00 | 815.00 |
| Vaccine | | 6,000,000.00 | 6,000,000.00 |
| Honorarium | | | 30,000.00 |
| Essential Drugs | | 212,721,000.00 | 183,125,379.18 |
| Loss in Exchange Rate | | 836.86 | |
| Total Expenditures | | 218,722,636.86 | 189,156,194.18 |
| Surplus (Deficit) for the year | | 207,767,553.69 | 73,346,682.28 |

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



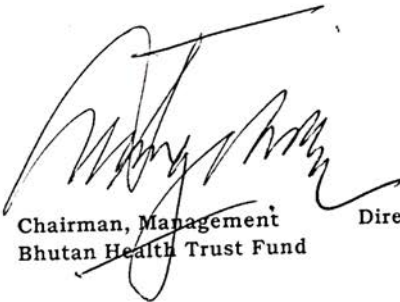
BHUTAN HEALTH TRUST FUND
Statement of Affairs (Balance Sheet) as at 30th June 2017

| Particulars | Schedule | 30.06.2017 (Nu) | 30.06.2016 (Nu) |
|--------------------------------------|----------|-------------------------|-------------------------|
| Assets | | | |
| Investment in Local Currencies | II (A) | 1,669,677,427.72 ✓ | 1,446,326,266.92 |
| Investment abroad | | | |
| Invest in FC A/C with BoB | II (B) | 17,603.95 ✓ | 18,440.81 |
| Interest Accrued | III | 41,988,240.30 | 40,202,836.40 |
| Current Assets | | | |
| Closing Bank Balance on S/B Accounts | | 11,833,777.47 | 9,492,786.09 |
| Total Assets | | 1,723,517,049.44 | 1,496,040,330.22 |
| Financed By: | | | |
| Capital Contributions | IV | ✓ 764,608,191.15 | 744,899,025.62 |
| General Fund | V | 958,908,858.29 | 751,141,304.60 |
| Total Capital & Reserves | | 1,723,517,049.44 | 1,496,040,330.22 |

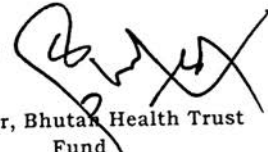
Approved By:

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




2. 2017-2018 audited report

| BHUTAN HEALTH TRUST FUND | | | |
|---|----------|-----------------------|-----------------------|
| Income and Expenditure Statement for the year ended 30th June 2018 | | | |
| Particulars | Schedule | 30.06.2018 (Nu) | 30.06.2017 (Nu) |
| Income | | | |
| Interest Income from Investment | I | 166,836,137.65 | 139,287,440.75 |
| Health Contribution | VI | 231,225,512.33 | 287,202,749.80 |
| Income from Lottery | VII | 29,133,693.45 | |
| Profit in Exchange Rate | | 1,058.94 | |
| Refund on Essential Drugs & Vaccines from JDWNRH and MoH for FY 2106-17 | | 13,562,725.42 | |
| Total Income | | 440,759,127.79 | 426,490,190.55 |
| Expenditure | | | |
| Bank Commissions and Charges | | 824.81 | 800.00 |
| Vaccine | | 5,734,000.00 | 6,000,000.00 |
| Essential Drugs | | 191,000,000.00 | 212,721,000.00 |
| Loss in Exchange Rate | | | 836.86 |
| Total Expenditures | | 196,734,824.81 | 218,722,636.86 |
| Surplus (Deficit) for the year | | 244,024,302.98 | 207,767,553.69 |

Prepared By:

Approved By:


 Accountant,
 Bhutan Health Trust Fund
 Accountant
 Bhutan Health Trust
 Fund


 Director,
 Bhutan Health Trust Fund
 Director
 - Health Trust Fund



Bhutan Health Trust Fund**Statement of Affairs (Balance Sheet) as at 30th June 2018**

| Particulars | Schedule | 30.06.2018 (Nu) | 30.06.2017 (Nu) |
|-------------------------------------|----------|-------------------------|-------------------------|
| Assets | | | |
| Investment in Local Currencies | II (A) | 2,457,291,453.95 | 1,681,511,205.19 |
| Investment abroad | | | |
| Invest in FC A/C with BoB | II (B) | 18,662.89 | 17,603.95 |
| Interest Accrued | III | 21,480,531.58 | 41,988,240.30 |
| Total Assets | | 2,478,790,648.42 | 1,723,517,049.44 |
| Financed By: | | | |
| Capital Contributions | IV | 1,275,857,487.15 | 764,608,191.15 |
| General Fund | V | 1,202,933,161.27 | 958,908,858.29 |
| Total Capital & Reserves | | 2,478,790,648.42 | 1,723,517,049.44 |

Prepared By:

Approved By:


 Accountant
 Bhutan Health Trust Fund
 Accountant
 Bhutan Health Trust
 Fund


 Director,
 Bhutan Health Trust Fund
 Director
 Bhutan Health Trust Fund



Ways to contribute

Donations can be made directly by deposit/direct transfer in the following banks accounts based in Bhutan:

- 1) Bank of Bhutan, Account No: **1100782506**.
- 2) Bhutan National Bank Ltd, Account No: **5000039993022**.
- 3) Bhutan Development Bank, Account No: **000110150066**.
- 4) Druk Punjab National Bank Ltd, Account No: **110010434255**.
- 5) T-Bank, Account No: **77777018379001**

Donations can also be made personally by visiting the office of BHTF, Thimphu, Bhutan or any of Bhutan Embassy offices for those outside of Bhutan. Donations through cheques can be mailed to the Director, BHTF, Thimphu, Bhutan.

Donations in USD from outside Bhutan can be remitted as hereunder:

Swift code for Thimphu Branch: **BHUBBTBT022**

Beneficiary Bank: Bank of Bhutan Ltd. Phuentsholing, Bhutan

Receiver's Correspondent Bank: Standard Chartered Bank

One Madison Avenue

New York, N.Y.10010-3603

Account No: 3582036853001

Swift Code: SCBLUS33

CHIPS ABA0256

FEDABA026002561

Ultimate Beneficiary:

1. Account No: 100931468
2. Beneficiary Name: Bhutan Health Trust Fund
3. BOBL Branch Name: Thimphu, Main Branch



BHUTAN

HEALTH TRUST FUND

Doeboom Lam

Hotel Blue Heaven

Office of the Consumer
Protection.
Department of Trade.
Ministry of Economic Affairs.

Zorig Lam

Bhutan Health Trust Fund

PO. Box 1200, Thimphu, Bhutan

Tel: +975-2-338636/324632

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Website : www.bhtf.bt