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Royal Audit Authority



AUDIT OF MULTILATERAL ENVIRONMENTAL AGREEMENTS ON ITS COMPLIANCES



Environment Audit Report

2010



ROYAL AUDIT AUTHORITY

Bhutan Integrity House

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



RAA (TAD-EAS)/ 2010-11/21302

28th October, 2010

The Secretary,
National Environment Commission,
Thimphu.

Sub: Audit Report of Multilateral Environmental Agreements and on its compliances.

Sir,

Enclosed herewith please find a copy of the *Environmental Audit Report* on the compliance of obligations of the following Multilateral Environmental Agreements:

- United Nations Framework For Climate Change (UNFCC);
- Convention on Biological Diversity (UNCBD);
- United Nations Convention to Combat Desertification (UNCCD); and
- Vienna Convention for the protection of ozone layer.

The audit was conducted on the principles of *Performance Audit* and in line with the mandates of the Royal Audit Authority (RAA) as enshrined in the Constitution of the Kingdom of Bhutan and the Audit Act of Bhutan 2006.

Out of a total of 12 MEAs to which the Bhutan is a party, the RAA had selected the above four MEAs with the main objective to ascertain the compliances of environmental obligations under the MEAs, adequacy of existing compliance assurance and monitoring mechanism instituted at various levels and system of reporting to the parliament on the progress and activities relating to their implementations.

The RAA is pleased to note the existence of relevant laws, rules and regulations to comply with the environmental obligations under the MEAs. Generally most of the obligation under the MEAs that the team verified were found adequately met or were in track. It is in this respect that Bhutan has earned the image of '*Champions of the Earth*' for preserving its pristine Environment. Bhutan is in the list of the top ten global hotspots of eastern Himalayas.

There were, however, cases of some of the environmental obligations under the MEAs where improvement are desirable. Some of which includes, Un-clear roles and accountabilities of the focal agencies as well as the implementing agencies, no system of reporting to the parliament on status of fulfilment of obligations under the MEAs, no or very minimal efforts to synchronize the activities for implementing those MEAs that have similar objectives and obligations.

"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."
- His Majesty The King Jigme Khesar Namgyel Wangchuck

The RAA has also noted that the current administrative set up of the MEAs, the coordination and monitoring mechanism were not adequate which may impede the effective implementation of MEAs in future.

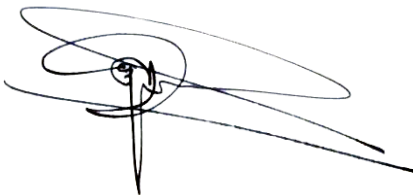
On the basis of the audit findings the RAA has made series of recommendations that are desirable for promoting compliance of environmental obligations under the MEAs.

The draft reports were issued to the National Environmental Commission Secretariat, Ministry of Agriculture and Forests and Ministry of Foreign affairs for factual confirmation and comments. The report has been finalized after reviewing and incorporating the comments of the Ministries in this report.

The RAA would remain grateful receiving a Detailed Action Plan with clear and definite time frame for implementing the audit recommendations and instituting appropriate controls, corrective measures and management practices **on or before 31.01.2011**. We would also like to acknowledge the cooperation and assistance extended to the team by the officials of the National Environmental Commission, Ministry of Agriculture and Forests and Ministry of Foreign Affairs.

We remain ever grateful for providing continuous support to the RAA in fulfilling our role on auditing and reporting on the economy, efficiency and effectiveness in the use of public resources.

Yours Sincerely,



(Ugen Chewang)
Auditor General of Bhutan

Copy to:

1. The Hon'ble Prime Minister, Royal Government of Bhutan, Thimphu for kind information;
2. The Hon'ble Minister, Ministry of Agriculture and Forests, Thimphu;
3. The Hon'ble Minister, Ministry of Economic Affairs, Thimphu;
4. The Hon'ble Minister, Ministry of Foreign Affairs, Thimphu;
5. The Director, Department of Agriculture, MoA, Thimphu;
6. The Focal point, UNFCCC, National Environment Commission, Thimphu
7. The Focal point, CBD, National Environment Commission, Thimphu
8. The Focal point, Vienna Convention for, National Environment Commission, Thimphu
9. PPAARD, RAA, Thimphu; and
10. Office Copy.

"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."
- His Majesty The King Jigme Khesar Namgyel Wangchuck

TITLE SHEET

1. REPORT NAME : Report on the compliance of Multilateral Environmental Agreements (UNFCCC, UNCBD, UNCCD, Vienna Convention).

2. EXECUTING AGENCY : 1. National Environment Commission;
2. National Soil Service Center, MoAF;
3. Ministry of Foreign Affairs;
4. National Biodiversity Center, Serbithang

3. NAME OF AUDITEE OFFICIALS:

SL. No.	NAME OF AUDITEE AGENCY
1.	National Environment Commission
2.	National Soil Service Center, MoAF

4. SCHEDULE OF AUDIT EXECUTION : 11/05/09 to 15/06/09

5. NAME OF INSPECTING TEAM:

SL. No.	NAME	DESIGNATION
1	Chandra Bdr. Gurung	Senior Audit Officer
2	Sonam Wangmo	Audit Officer
3	Tenzin Chhoedup	Asstt. Audit Officer

6. SUPERVISING OFFICERS:

SL. No.	NAME	DESIGNATION
2.	B.B. Chhetri	Deputy Auditor General

GLOSSARY

<i>BAFRA</i>	<i>Bhutan Agriculture Food Regulatory Authority</i>
<i>BAP</i>	<i>Biodiversity Action Plan</i>
<i>DRC</i>	<i>Department of Revenue and Customs</i>
<i>CITIES</i>	<i>Convention on International Trade in Endangered Species of Wild Fauna and Flora</i>
<i>CoP</i>	<i>Conference of Parties</i>
<i>MEAs</i>	<i>Multilateral Environmental Agreements</i>
<i>MoAF</i>	<i>Ministry of Agriculture & Forests</i>
<i>MoLHR</i>	<i>Ministry of Labour and Human Resources</i>
<i>MoFA</i>	<i>Ministry of Foreign Affairs</i>
<i>MoP</i>	<i>Meeting of Parties</i>
<i>NAP</i>	<i>National Action Plan</i>
<i>NECS</i>	<i>National Environment Commission Secrétariat</i>
<i>NSSC</i>	<i>National Soil Service Centre</i>
<i>ODS</i>	<i>Ozone Depleting Substances</i>
<i>RAA</i>	<i>Royal Audit Authority</i>
<i>SLMP</i>	<i>Sustainable Land Management Programme</i>
<i>UNFCCC</i>	<i>United Nations Framework Convention on Climate Change</i>
<i>UNCCD</i>	<i>United Nations Convention on Combating Desertification</i>
<i>UNCBD</i>	<i>United Nations Convention on Biological Diversity</i>
<i>UNESCO</i>	<i>United Nations Educational, Scientific and Cultural Organization</i>

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This report has been prepared under *chapter 4 of the Audit Act of Bhutan, 2006 and Article 24 of the Constitution of the Kingdom of Bhutan.*

Ugen Chewang
Auditor General of Bhutan
Royal Audit Authority

Date of issue 28.10.2010

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DISCLAIMER NOTE

The coverage of this audit does not include financial auditing. The audit was confined to Multilateral Environmental Agreements on meeting environmental compliances. The audit was based on Audit Planning set by the Royal Audit Authority and facts & information made available and accessible to the audit team by the National Environmental Commission Secretariat, National Soil Service Centre, Ministry of Agriculture and Ministry of Foreign Affairs.

This is also to state that the auditors during the audit had neither yielded to pressure, nor dispensed any favor or resorted to any unethical means that would be considered as violation of the Royal Audit Authority's Code of Good Conduct, Ethics and Secrecy.

1

Executive Summary

WHY AUDIT ENVIRONMENTAL CONVENTIONS?

Environmental conservation is one of the four pillars of the development philosophy of Bhutan, the Gross National Happiness. The constitution of the Kingdom of Bhutan mandates that 60% of land area should remain as forest cover for all times to come. Bhutan, despite having such resounding policies and earnest efforts to conserve environment, however, cannot manage all its environmental concerns on its own since many environmental issues such as air pollution, deterioration of the ozone layer and climate change are trans-boundary or global in nature. Quality of environment in Bhutan depends not only on what we do at home but also on activities outside borders. Bhutan is especially vulnerable to impacts of climate change and other environmental degradation due to the fact of its geographic positioning between the two emerging and rapidly growing economies in the world. Countries have increasingly recognized the global dimension of the environmental problems and developed a wide range of international environmental agreements to enable them to work together on global environmental issues. Bhutan in its commitment to preserve environment has signed twelve such agreements.

Every Bhutanese is a trustee of the Kingdom's natural resources and environment for the benefit of the present and future generations and it is the fundamental duty of every citizen to contribute to the protection of the natural environment, conservation of the rich biodiversity of Bhutan and prevention of all forms of ecological degradation including noise, visual and physical pollution through the adoption and support of environment friendly practices and policies".

The Constitution of the Kingdom of Bhutan

These agreements though provide numerous benefits, but also necessitate many obligations to be fulfilled.

The RAA took up the audit of following four Multilateral Environmental Agreements on a test basis:

1. United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol;
2. The Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol;
3. United Nations Convention on Combating Desertification (UNCCD) and
4. United Nations Convention on Biological Diversity (CBD).

The audit was conducted with the following objectives:

- ✓ To ascertain the compliance with the obligations of the agreements;
- ✓ To ascertain the adequacy of the organizational arrangements of the Royal Government in fulfilling such obligations; and
- ✓ To ascertain the system and quality of reporting to the parliament on the progress and activities relating to implementation of the four MEAs.

The selection of the MEAs for audit was based primarily on the relevance and importance of MEAs to Bhutan, environmental risk underlying the convention, availability of information and public interest and awareness on the agreements.

WHAT RAA FOUND?

Bhutan is one of the pioneer countries amongst Least Developed Countries in implementing the MEAs. Some of the significant achievements of the government in implementing these MEAs were as follows:

- ✦ Of the four MEAs, Vienna Convention for the protection of Ozone layer and Montreal protocol on substances that deplete ozone layer has been the most successful. The implementation of the convention and the protocol has been on target. The RAA observed that the National Environment Commission in collaboration with the Department of Revenue and Custom (DRC) and the Ministry of Labour and Human Resources (MoLHR) is on track of achieving the obligations;
- ✦ Ratified in Aug '95 the UNFCCC running in its 14th year has met all its international obligations to the level of support provided ;
- ✦ Ministry of Agriculture (MoA) has prepared three and implemented two Biodiversity Action Plans (BAPS) as required by article 6, of the UNCBD convention text. BAPs were prepared in the year 1998, 2002 and 2009;
- ✦ The National Environment Commission Secretariat had submitted four National reports to the CBD Secretariat. The National Bio-safety Framework of the Kingdom of Bhutan, 2006 prepared by the NECS ensures safe transfer, handling and use of living modified organism that may have adverse impact on the biodiversity with specific focus on transboundary movement. This National Bio-safety Framework was also submitted to the CBD Secretariat as an obligation under the Cartagena Protocol on Bio-safety; and
- ✦ UNCCD is also well on target in the implementation of *Sustainable Land Management Project (SLMP)*. The project component with the set

results indicators for the first four years of the project has more or less been achieved except for few indicators.

Annexure A outlines all the compliances of these four MEAs in meeting the general as well as specific obligations by being a party to the conventions.

Despite the notable accomplishments in meeting the obligations under the MEAs, there were several constraints, problems and weaknesses in the administrative arrangements and functioning of institutions involved in carrying out the activities of environmental agreements. If these constraints and bottlenecks are addressed on time, Bhutan could further enhance compliance of these MEAs and project a much improved picture in terms of compliance to MEAs. Some of the significant observations noted by the RAA are as follows:

- ✦ The National Environment Commission Secretariat (NECS) has the role to negotiate and enforce bilateral and multilateral environmental agreements as per the National Environmental Protection Act, 2007. However, a clear segregation of the roles and accountabilities of the focal agencies and the implementing agencies is required to avoid duplication of roles and overlapping of authority;
- ✦ There are no proper documentation for reasons, advantages and disadvantages for becoming a party, the effects of the treaty obligations, measures to implement the obligations and the people and organizations consulted before ratifying an agreement;
- ✦ There was lack of adequate coordination between the focal agency and the implementing agencies in fulfilling the obligations of the MEAs;
- ✦ There was no or very minimal efforts to synchronize the activities for implementing those MEAs that have similar objectives and obligations

for channelling scarce resources and also for better fulfilment and compliance to the MEAs;

- ✖ There is no system of reporting to the parliament on status of fulfilment of obligations under the MEAs;
- ✖ There was no systematic and proper documentation on the activities carried out pertaining to these agreements by the focal agencies. Most of the information gathered were through verbal interaction;
- ✖ A few cases of non-compliances were noticed in meeting the obligation under UNCCD as Bhutan is yet to prepare a National Action Programme (NAP) to combat desertification;
- ✖ There are no bio-technology activities in Bhutan and no arrangements exist for safe use biotechnology particularly when 35% of food are imported; and
- ✖ No study has been carried out to ascertain the extent to which the regional environmental degradation has impacted the quality of environment in Bhutan.

WHAT RAA RECOMMENDS?

Based on the review and findings the RAA developed a set of recommendations with an attempt to address the identified deficiencies, problems and weaknesses. Some of the pertinent recommendations are:

- ✓ National Environment Commission Secretariat should develop clear mandates, roles and accountabilities for the focal agencies as well as the implementing agencies;
- ✓ Broad criteria should be developed for identifying and appointing an agency as a focal point for implementing particular agreement considering the nature of activities under the conventions and capacity and capability of such agency to implement them;
- ✓ Adequate studies should be conducted prior to signing or ratifying any MEAs. The citizens through the parliament should be made sufficiently aware on potential merits and demerits of ratifying any such MEAs;
- ✓ Given the significance of these agreements and vast mandate, the focal agencies need to re-look into their resources in terms of staff strength;
- ✓ NECS should review the adequacy and appropriateness of the existing institutional arrangements for the implementation of MEAs and strengthen the institutional setup besides enhancing coordination among the focal agencies; and
- ✓ NECS should institute proper mechanism to report to the parliament on the resourcing and the ongoing implementation and compliance of the MEAs and exact status of such agreements.

2

Introduction

Multilateral Environmental Agreements are international treaties that tackle big environmental problems that cross national boundaries. MEAs are the main vehicles for addressing global environmental concerns about the future of our planet.

There are more than 900 international accords mostly binding worldwide, that were either wholly aimed at environmental protection or had more than one important provision addressing the issue. About 150 accords have been totally directed to environmental issues. Bhutan though has a pristine and well preserved environment, with rapid development and modernisation taking place, it faces a number of environmental challenges such as pollution, deforestation, land degradation, solid waste generation, etc.

Bhutan is a party to twelve MEAs. The first environmental convention negotiated by the Ministry of Foreign Affairs was the Final Act and the Law of Sea Conventions signed on 10th December 1982. Since then the country has ratified/acceded to twelve environmental conventions as tabulated below:



1. UN Framework Convention on Climate Change (UNFCCC)	11 th June 92	25 th August 95	NECS
2. Kyoto Protocol to the United Nations Framework Convention on Climate Change		26 th August 2002	NECS
3. UN Convention on Biological Diversity (CBD)		26 th August 2002	NECS
4. Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)	2 nd August 2002	2004	NCD, MoA
5. Basel Convention on the control of Transboundary Movements of Hazardous Wastes and their Disposal.	26th August 2002	2002	NECS
6. UNESCO World Heritage Convention		10th Oct 2001	MoHCA
7. International Plant Protection Convention (Adherence)		20th June 1994	Bhutan Agriculture and Food Regulatory Authority (BAFRA)
8. The Final Act and the Law of Sea Conventions	10th December 1982		MoFA
9. Statute of the Centre for Science and Technology of the Movement of Non-Aligned Countries and other Developing Countries	4th February 1985		MoFA
10. Statutes of the International Centre for Genetic Engineering and Biotechnology	31st May 1984	15th April 1985	MoA
11. Vienna Convention for the Protection of the Ozone Layer	Aug 2004	Aug 2004	NECS
12. United Nations Convention on Combating Desertification (UNCCD)	1992	2004	National Soil Service Center, Ministry of Agriculture

3

Observations

3.1. Inadequate study for ratification of Multilateral Environmental Agreements

Any country becoming a party to MEAs should conduct proper study and analysis including prior consultations with people and organizations covering, inter-alia:

- reasons, advantages and disadvantages for becoming a party;
- the effects of the treaty obligations; and
- measures to implement the obligations.

Based on this report the country should decide on ratification of the MEAs. However, for the MEAs Bhutan had ratified there are either no notes prepared or those prepared were inadequate. The notes prepared simply indicated the overview of the convention to be ratified. There were no records of extent of study and consultations carried out prior to ratification of the MEAs.

Ratifying a convention without doing a detail impact study could lead to a convention that is not at all relevant, whose obligations a country may not be able to meet and that has negative consequences to the country.

3.2. Non/Partial compliance in meeting the obligation under MEAs

The Royal Audit Authority team had studied the Conventions on climate change, biological diversity, desertification and ozone and found that principals are consistent with the environmental policies of the Royal government of Bhutan, and the core requirements/obligations are being met. However, few non compliance and partial compliance have been found, which are as below:

United Nations Framework Convention on Climate Change.	
Obligations	Remarks
4.1(f) Take climate change considerations into account, to the extent feasible, in their relevant social, economic and environmental policies and actions, and employ appropriate methods, for example impact assessments, formulated and determined nationally, with a view to minimizing adverse effects on the economy, on public health and on the quality of the environment, of projects or measures undertaken by them to mitigate or adapt to climate change	<p>(<i>partially</i>)- Considerations have been taken into account to the extent feasible and within the context of available information. New hydro projects are taking into consideration impacts of GLOF. However, a long-term implication of glacial melt on hydropower is not known.</p> <p>Hazard zonation along GLOF affected areas is done for some areas but development planning does not take into consideration these hazard zone maps on the ground (eg. Punakha and Wangdi)</p>
4.1(g) Promote and cooperate in scientific, technological, technical, socio-economic and other research, systematic observation and development of data archives related to the climate system and intended to further the understanding and to reduce or eliminate the remaining uncertainties regarding the causes, effects, magnitude and timing of climate change and the economic and social consequences of various response strategies.	<p>(<i>partially</i>)-For Bhutan to participate effectively in systematic observation of the climate we need a strong agency responsible for holistic hydro-meteorological services that serves all stakeholders including the public. Up till now NEC had been hampered by hydro-meteorological services that were sector-driven (within MOA and MTI/MOEA) that did not have a mandate to serve all stakeholders.</p> <p>However, the UNFCCC organizes workshops and work programs in implementing this activity.</p>
4.10 The Parties shall, in accordance with Article 10, take into consideration in the implementation of the commitments of the Convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse effects of the implementation of measures to respond to climate change. This applies notably to Parties with economies that are highly dependent on income generated from the production, processing and export, and/or consumption of fossil fuels and associated energy-intensive products and/or the use of fossil fuels for which such Parties have serious difficulties in switching to alternatives.	Bhutan along with almost all countries except Organization of the Petroleum Exporting Countries (OPEC) does not support this article although it is in the convention. This article asks for compensation for oil producing countries if the world stops using fossil fuels.
5 RESEARCH & SYSTEMATIC OBSERVATION	Bhutan does not have resources to support although it wishes to participate.
United Nations Convention on Combating Desertification	

Cooperate within relevant intergovernmental organizations	<ul style="list-style-type: none"> • UNCCD in Bhutan have no internal coordination mechanisms (senior management coordination meetings and inter-unit meetings), administrative activities, and as a result, UNCCD lacked an appropriate forum to: <ul style="list-style-type: none"> a) Discuss and determine programmatic and administrative needs to ensure that UNCCD is being effective and efficient in the use of its investment; b) Discuss and determine what levels of resources are required to support UNCCD activities; c) Discuss and recommend appropriate policies and procedures for both administration and programs d) Oversee the development of administrative and programs implemented. • No consultative meetings yet held for UNCCD implementations
Establish strategies and priorities, within the framework of sustainable development plans and/or policies, to combat desertification and mitigate the effects of drought.	Bhutan is yet to prepare a National Action Programme (NAP) to combat desertification.
United Nations Convention on Biological Diversity	
The fair and equitable sharing of the benefits arising out of the utilization of genetic resources, including by appropriate access to genetic resources and by appropriate transfer of relevant technologies taking into accounts all rights over those resources and to technologies and by appropriate funding	<p>Bhutan has Prepared a National Bio-safety framework of Kingdom of Bhutan, 2006 with the financial assistance from UNEP/GEF in collaboration with various key stakeholders, particularly Ministry of Agriculture.</p> <p>However, the current situation is there are no bio-technology activities in Bhutan; Non-existence in arrangement for safe use biotechnology and 35% of food is imported.</p>

The lack of compliance to the obligations in the stated MEAs could have negative impact on the environment of the country and also lead to adverse relation with other member countries due to non-compliance.

3.3. Un- clear roles and accountabilities of focal and implementing agencies

The issues tackled by MEAs generally impinge on the work of several government departments or agencies. The four MEAs audited each had three or more agencies responsible for implementing the agreement as tabulated below:

AGENCY/CONVENTION	UNFCCC	UNCBD	Cartagena Protocol	UNCCD	Vienna Convention
National Environmental Commission ⁽²⁾	Lead agency ⁽¹⁾	Lead agency	Lead agency		Lead agency
Ministry of Home and Cultural Affairs					
Ministry of Economic Affairs					
Ministry of Agriculture					
Ministry of Finance					
Ministry of Labor and Human Resource					
National Biodiversity Centre.					
Bhutan Agriculture and Food Regulatory Authority					
Ministry of Foreign Affairs					

- (1) The lead agency is the managerial authority for the agreement and is accordingly responsible for its ongoing implementation.
- (2) The National Environment Commission Secretariat is responsible for negotiating all multilateral environmental agreements. According to the subject matter, other government departments, such as the Ministry of Foreign Affairs or other agencies, may be involved in the negotiations from the outset.

In these circumstances the mandates, roles and responsibilities of the lead agency and the implementing agencies need to be clear, otherwise omission, duplication and confusion are likely to result which would impede proper implementation of the MEAs.

3.4. Non-development of criteria for selecting a focal agency for a particular convention

A Focal agency has been designated for every MEA signed and ratified. While meeting and discussing with the focal points and reviewing the documents, it was not clear as to on what basis the focal agencies were chosen. On enquiry it was found that no focal agency was sure of the designation process. It was also observed that there is no set norm or criteria for selection of the same. No Ministry or agency has been officially authorized to appoint the focal agency for the MEAs.

For instance, the focal point for the UNCCD as per the records was National Soil Service Centre, Ministry of Agriculture and Forests. However, when the Head of the Office was transferred as the Director of Agriculture, the convention was still managed by him. Thus the focal point seemed to be more individual specific than institution. The risks of such practice would aggravate when the individual retires or are transferred to other agencies from the service.

3.5. Lack of effective coordination amongst agencies.

Bhutan has ratified/acceded 12 MEAs as of date and most of these MEAs have similar if not overlapping objectives and requirements.

Under Section E of the Guidelines on compliance with and Enforcement of MEAs, it is specifically mentioned that the, *coordination among the departments and agencies at different levels of government, as appropriate be undertaken during implementation of MEAs*. However, it was found that agencies responsible for implementing these MEAs work in isolation from each other lacking effective means of coordinating information and activities, or even simply communicating, with other actors. There is no forum to discuss the activities of the MEAs signed

and ratified by Bhutan. Efforts by the competent authority were not seen to be put in place to aid the flow of information between the focal agencies to make certain that all have accurate and complete information.

There is a lack of understanding of responsibilities among the government departments on matters relating to MEAs.

The lack of proper co-ordination between focal agencies and implementing agencies would inevitably impede effective implementation of MEAs.

3.6. Non-dissemination of outcome of Meetings and Conference of Parties

As constrained by finance and other factors, it is not always possible for all relevant parties and agencies to attend different meetings and conferences regarding a particular convention. Nonetheless, whichever national party/agency represents the country in such a forum, the deliberations and outcomes pertaining to Bhutan should be shared with other relevant agencies in the Kingdom. It could either be done through meetings amongst relevant organizations in the country or through media for greater transparency and understanding. Further, it is important that NECS as a principal agency to represent Bhutan in such forum should nominate appropriate personnel/organization so that a fair deal is struck in the negotiation process, especially when the area of discussion are directly related to an area of technical competence of a particular implementing Ministry.

Dissemination of information on the deliberations and outcomes of conventions and meetings were found to be lacking which may lead to

lack of clarity and awareness on the important decisions and outcomes of such meetings affecting the implementation of MEAs.

3.7. Inadequate public awareness on the MEAs

Public Awareness and Participation promote great understanding of relevance and impacts of conventions and their role in the implementation of conventions. The guideline on Compliance and Enforcement of MEAs requires the parties to support efforts to foster public awareness about the rights and obligations under each agreement and create awareness about the measures needed for their implementation, indicating the potential role of the public in the performance of a MEA.

Article 9 (2) of The Montreal Protocol on Substances that Deplete the Ozone Layer- *“The parties, individually, jointly or through competent international bodies, shall co-operate in promoting public awareness of the environmental effects of the emissions of controlled substances and other substances that deplete the ozone layer”.*

Public should be generally aware of the conventions that Bhutan is party to and understand the issues and processes related to MEAs. Likewise, public participation in the decision-making process is vital for facilitating transparency and accountability, and strengthening public support to be able to achieve the objectives of a MEA and thus help in the conservation of environment.

The Article 23 of the Cartagena Protocol also requires Parties, on their own and in cooperation with other States and international bodies, to promote and facilitate public awareness, education and participation, regarding the safe transfer, handling and use of LMOs. It also requires that public awareness and education encompass access to information on living modified organism identified in accordance with the protocol that may be imported.

Despite various decisions taken under the COP and MOPs the general awareness, education and participation on MEAs in the country is not adequate.

3.8. No Change in the Organizational structure and functions within the focal agencies.

With the increasing environmental problems, the responsibilities of the agencies with regard to meeting the obligations under MEAs have increased many folds.

However, the existing arrangement of all the focal agency of the MEAs dates back to the time of accession and ratification. In view of the fact that no separate unit has been established for MEAs (except for the Vienna Convention for the protection of Ozone layer), the existing structure or the arrangement appear inadequate to handle the task. Further, the designated focal persons have their regular roles and responsibilities to be carried out besides the activities under the MEA. Such inadequacies in the organizational set-up and functions may hinder the progress of implementation of MEAs.

3.9. No system of reporting to parliament on the MEAs.

Parliament being the highest legislative body in the country, it is imperative that it receives the reports on the MEAs comprising the plans, intended expenditure, activities, achievements, and actual status agreements. Such practice of reporting to parliament would not only draw the attention of the parliamentarians towards the functioning of the MEAs but would also give the public a better picture of the MEAs and how major MEAs are being implemented in the Country.

NECS does report on the state of environment of country to the Parliament but do not report specifically on the status and progress on multilateral environmental agreements.

**3.10. Training
need
assessments
found not done**

The Training needs assessment is a vital activity for any development function. All training programme to be effective must start with proper need assessment. Training needs assessment was not undertaken, which resulted in only few or single individual gaining experience and competencies in the field of managing international agreements. The COPs and MOPs have been attended only by the focal person who would disrupt the execution of the convention if the focal person gets transferred or retires.

**3.11. Possible
lack of funding
for meeting
obligations
under the
MEAs**

The Bhutan has so far met all the obligations. All plans and programmes under the MEAs in Bhutan are directly or indirectly donor funded, GEF being the main partner. Since there is no share of financial contribution from the RGoB at the moment, there could be possible sustainability problem of meeting obligations in future without the donor partners. Thus there is need for working out strategies for possible funding options in meeting obligations under the MEAs in future.

There should be well researched strategic plans and policies to tackle such problems, if any in future, so that the compliance of these agreements are ensured.

3.12. Lack of proper documentation

Though the Focal agencies for different MEAs have made significant efforts to fulfill the commitment of MEAs, there was no systematic and complete documentation of the activities carried out. Most of the information had to be gathered through discussion.

There was no proper handing taking when there is transfer or change in focal person concerning the MEAs. Most often than not, the current focal persons had no documentation on activities carried out by their predecessor. Lack of up-dated documentation of activities carried out and progress made in implementing MEAs may impair effective monitoring of the compliances of environmental conventions. Therefore, in order to project a holistic picture of an agreement, the focal units need to ensure adequate documentation of the entire activities carried out in respect of each MEA.

3.13. Inadequate Regional Cooperation

South Asian Association for Regional Cooperation (SAARC) over the years has persistently highlighted the need for intensification of regional cooperation in the area of preservation of environment. One of such initiatives in partnership with the United Nation Environment Programme (UNEP) was the Male Declaration on control and prevention of Air pollution and its likely transboundary effects for the South Asian region. Under the scheme, some of the important activities that Bhutan initiated were installing air monitoring equipments and enhancing technical knowledge in impact assessment and monitoring. However, no impacts assessment has been conducted so far to find out the impacts of trans-boundary air pollution. For environment conscious country like Bhutan that is situated between the two fast growing

economies in the world, i.e. China and India, it is important to understand and know the potential or real impact of their developmental and other activities on our environment. Bhutan is yet to have regional cooperation in the field of environment with other countries.

4

Recommendations

1. Clear roles, responsibilities and accountabilities should be specified.

At present there is lack of clarity on the roles and responsibilities of different parties. Often focal and implementing agencies of the MEAs encroach on the works of other agencies that could lead to omission, duplication and confusion. Thus the government needs to develop clear mandates, roles and responsibilities as well as accountabilities of the Ministry of Foreign Affairs, focal agencies and implementing agencies.

2. Clear targets for fulfillment of obligations under MEAs should be fixed and compliances monitored.

The Department and agencies responsible in implementation and complying with the obligations under the MEAs should review the status of implementation of MEAs and ascertain the non-compliances and those which are yet to be complied. Clear objectives and targets should be set up, to which all focal agencies must commit to and take steps to implement them.

3. Framework and criteria for selecting a focal and implementing agency should be developed

The NECS in collaboration with other environmental agencies should come up with broad framework or criteria for appointing a particular agency as focal or

implementing agency. Framework should be drawn considering the competency, capacity and other resources available with a particular agency so as to ensure compliance to the agreements ratified by Bhutan.

4. An appropriate administrative and institutional set up should be in place.

There should be clearly spelt out administrative and institutional set up for managing different MEAs indicating as to who is responsible for overall management and co-ordination for implementation of MEAs. NECS should designate focal and implementing agencies that are technically and administratively competent to handle the agreement.

5. Coordination between the focal agency and the implementing agencies needs to be strengthened.

Currently there is no or very minimal co-ordination between focal agency and implementing agencies. There should be proper mechanism and forum to discuss on issues such as:

- a) Programmatic and administrative needs to ensure proper implementation of MEAs and effective use of resources;
- b) The amount of resources required to support MEA activities;
- c) Formulation of appropriate policies and procedures relating to administrative arrangements and programs for implementation of MEAs; and
- d) Monitoring of overall implementation of MEAs.

6. System of reporting to Parliament should be instituted

There should be an appropriate mechanism instituted for reporting the status of implementation of each MEA to the parliament. The focal and the implementing agency should be responsible for the task and also be accountable for non-compliance to any of the MEAs.

7. Adequate studies should be conducted prior to signing or ratifying any MEAs.

A thorough study should be conducted by a set of professional group of people prior to ratifying any MEAs. Generally, the prior study would include reasons, advantages and disadvantages for becoming a party, the effects of the treaty obligations and measures to implement the obligations. Adequate consultation at various levels should also be made prior to ratifying such conventions.

8. Proper documentation indicating activities carried out and status of implementation of MEAs should be maintained.

Though Bhutan is a pioneer in terms of compliance to the MEAs, such claims should invariably be authenticated through systematic and coherent maintenance of documents. Therefore, all involved in managing or implementing any MEA should maintain proper documentation since ratification of the MEA to all activities carried out clearly indicating the status of implementation of each MEA.

9. Possibility of greater regional co-operation amongst SAARC and with other neighboring countries should be explored.

Regional Environmental Agreements such as Male Declaration should be effectively implemented since the environmental problems within the regions are more real than the ones of global nature. Moreover, such agreements would relatively be easier to implement since the parties involved are of lesser number than the international agreement. Bhutan could also initiate or enter into similar kind of agreements with other countries on the environmental conservation.

AUDIT MANDATE, SCOPE, CRITERIA & METHODOLOGY

The Royal Audit Authority (RAA) conducted the audit on the compliance of the four multilateral environmental agreements (UNFCCC, UNCBD, UNCCD & Vienna Convention) selected out of the twelve MEAs to which Bhutan is party to, in accordance with the Constitution of the Kingdom of Bhutan (*article 25*) and Audit Act of Bhutan 2006 (*Chapter 4*). The RAA is mandated to report on the functions and operations of the Government Agencies and other organizations and recommends measures to improve their efficiency and effectiveness.

Scope

The audit was conducted to review and assess the compliance with the obligations of the multilateral environmental agreements. In the process, the RAA took up the audit of UNFCCC, UNCBD, UNCCD and Vienna Convention. Wherever possible the team met with relevant officials on the need and requirement.

Sources of Audit Criteria

The RAA prepared the audit criteria based on the following sources;

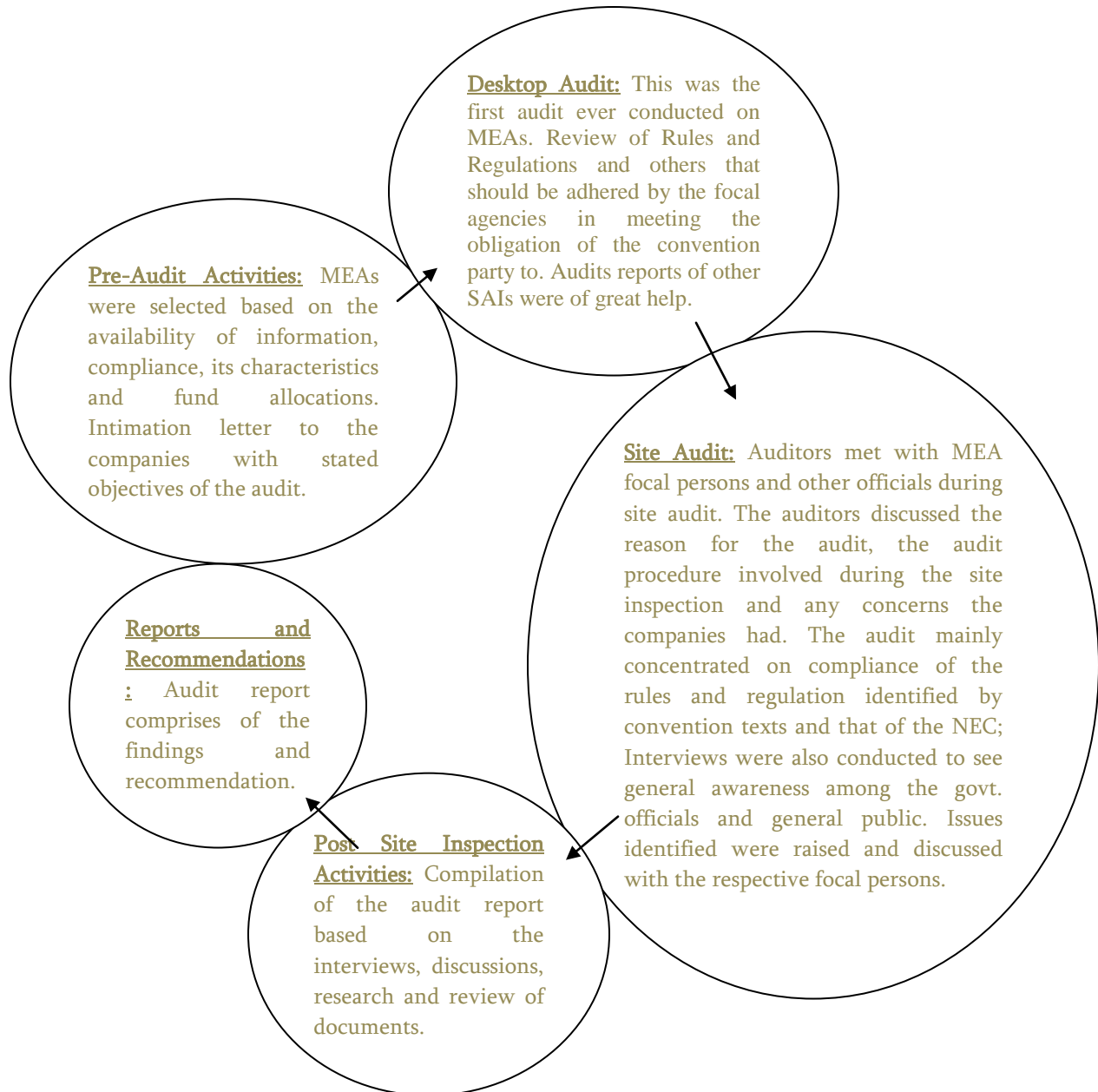
1. National Environment Protection Act of Bhutan, 2007
2. Vision & Strategy for the Nature Conservation Division, 2003
3. Environmental Assessment Act 2000
4. Forest & Nature Conservation Act of Bhutan, 1995
5. The middle path 'National Environment Strategy' 1998
6. Forest & Nature Conservation Rules of Bhutan, 2000
7. The Penal code of Bhutan
8. National Adaptation Programme of Action
9. First Greenhouse Gas Inventory
10. Initial National Communication
11. Convention Texts
12. Biodiversity Act of Bhutan, 2003
13. Biodiversity Action Plan, 2002

The General criteria for the convention are as follows:

- ◆ *Were impact statements prepared for the agreements covering:--*
 - *Reasons for being party to the agreement;*
 - *Advantages and disadvantages to being party;*
 - *Imposed obligations;*
 - *Economic, social, cultural and environmental effects;*
 - *Cost of compliance;*
 - *Measures to be adopted;*
 - *Provisions for withdrawal from the agreement; and*
 - *Statements setting out consultations with stake holders.*
- ◆ *Is the Government meeting its commitments laid down in the Conventions, the Strategies, if any?*
- ◆ *Did the responsible agency get roles and responsibilities assigned and were they properly documented and understood;*
- ◆ *Were the principal stakes holders consulted during the development and implementation of the Strategy? What were their solicited inputs if consulted?*
- ◆ *Has the Government developed an action plan for implementing the Strategy, (which includes time frames, resources allocated, expected results and performance indicators?);*
- ◆ *Has the Government met deadlines for key deliverables; and*
- ◆ *Is the planning, budgeting, operational commitments and monitoring and reporting to National Assembly and UN Secretariat pertaining to the achievements and under-achievements to meet the obligations adequate; and*
- ◆ *Has the Government established measurable targets and time frames for reporting on the results of its efforts in accordance with the requirements and guidelines of the Conventions?*
- ◆ *Public awareness on the conventions.*

Methodology

The main methods used for this audit include Document Review, Physical Observation, Interviews and Walk through Tests. However, due to lack of records, mainly the interviews and site visits were used.



Study Design

The team reviewed documents of the four conventions selected. For the purpose of gathering primary information, the team interviewed the focal points of the MEAs and other officials. Specific criteria were developed in doing so.

Secondary data were collected from the reports compiled by the respective focal agencies.

ANNEXURE

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE.

General Obligation	Remarks
4.1(a) Develop, periodically update, publish and make available to the Conference of the Parties, in accordance with Article 12 , national inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, using comparable methodologies to be agreed upon by the Conference of the Parties	<p>Article 12 is the only actual commitment where modalities have been completed to enable implementation which is the National Communication (Reporting) process. However, even this obligation is contingent on funding being made available for developing countries.</p> <p>Furthermore, Bhutan as a LDC had the option of deciding whether to submit this report or not. However, Bhutan has reported to be a serious party to the convention and also to build our own capacity. Bhutan's 1st GHG inventory had been submitted in 2000 as part of 1st National Communication and drafted the 2nd GHG Inventory which will be submitted as part of 2nd National Communication in 2011.</p>
4.1(b) Formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, and measures to facilitate adequate adaptation to climate change	<p>Bhutan is already sequestering more CO₂ than it is emitting so mitigation is a non issue. However situation is being constantly monitored and also options for clean development is part of RGOB development strategy.</p> <p>The Declaration of Carbon Neutrality issued by the Government in December 2009 also commits Bhutan to remain carbon neutral. Furthermore, Article 5 of the Constitution ensures that Bhutan's forest sinks do not fall below 60% of land cover.</p>
4.1(c) Promote and cooperate in the development, application and diffusion, including transfer, of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of greenhouse gases not controlled by the Montreal Protocol in all relevant sectors, including the energy, transport, industry, agriculture, forestry and waste management sectors	Bhutan had submitted a Technology Needs Assessment in 2002 but this document is only an assessment which is now outdated.
4.1(d) Promote sustainable management, and promote and cooperate in the conservation and enhancement, as appropriate, of sinks and reservoirs of all greenhouse gases not controlled by the Montreal Protocol, including biomass, forests and oceans as well as other terrestrial, coastal and marine ecosystems	RGOB policy on forest management is in line with this obligation and Bhutan's forests act as a net sink for Bhutan.
4.1(e) Cooperate in preparing for adaptation to the impacts of climate change; develop and elaborate appropriate and integrated plans for coastal zone management, water resources and agriculture, and for the protection and rehabilitation of areas, particularly in Africa, affected by drought and desertification, as well as floods	<p>Bhutan prepared the National Adaptation program of Action (NAPA) and submitted it in 2006 to UNFCCC as part of the LDC Work Programme. Bhutan was also the first country to actually implement a project from the NAPA (Thorthormi lake GLOF Project)</p> <p>The Second National Communication Project will prepare a vulnerability and Adaptation Assessment for Bhutan to be completed by 2011 which will be a longer term plan. The NAPA was a short term plan.</p>
4.1(h) Promote and cooperate in the full, open and prompt exchange of relevant scientific, technological, technical, socio-economic and legal information related to the climate system and climate change, and to the economic and social	For Bhutan to participate effectively in systematic observation of the climate we need a strong agency responsible for holistic hydro-meteorological services that serves all stakeholders including the public. Up till now we have been hampered by hydro-meteorological services that were sector-driven (within

consequences of various response strategies	<p>MOA and MTI/MOEA) that did not have a mandate to serve all stakeholders.</p> <p>Usually the UNFCCC organizes workshops and work programs in implementing this activity but we are hampered by the note above</p>
4.1(i) Promote and cooperate in education, training and public awareness related to climate change and encourage the widest participation in this process, including that of non-governmental organizations	<p>Whenever funding is available through the various projects like Initial National Communication, 2nd National Communication, NAPA etc. the reports have been prepared in a participatory and consultative process. In addition public workshops (to regional level), media interviews, and briefings to policy makers have been provided regularly.</p> <p>Recently the NGOs and Youth have also been active in taking on activities and have been supported to the extent possible by NEC and other interested agencies.</p>
4.7 The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology and will take fully into account that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties	Bhutan as a developing country party fully subscribes to this commitment and calls on all developed country parties to provide funding to implement all the commitments mentioned above. This is due to historical responsibility for the cause of climate change to which Bhutan has no role and is instead a victim
4.8 In the implementation of the commitments in this Article, the Parties shall give full consideration to what actions are necessary under the Convention, including actions related to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country Parties arising from the adverse effects of climate change and/or the impact of the implementation of response measures.	Not applicable as an obligation for Bhutan to implement but fully subscribes to this article especially (g) (i) since we are vulnerable as a mountainous and landlocked country.
4.9 The Parties shall take full account of the specific needs and special situations of the least developed countries in their actions with regard to funding and transfer of technology	This commitment (Article 4.9) is for special considerations of LDCs in access to finance and technology.
4.10 The Parties shall, in accordance with Article 10, take into consideration in the implementation of the commitments of the Convention the situation of Parties, particularly developing country Parties, with economies that are vulnerable to the adverse effects of the implementation of measures to respond to climate change. This applies notably to Parties with economies that are highly dependent on income generated from the production, processing and export, and/or consumption of fossil fuels and associated energy-intensive products and/or the use of fossil fuels for which such Parties have serious difficulties in switching to alternatives	Bhutan along with almost all countries except OPEC does not support this article although it is in the convention. This article asks for compensation for oil producing countries if the world stops using fossil fuels.

Please note that Article 4.1 of the UNFCCC (the commitments for developing countries outlined in the table) is to be implemented with funding provided by Developed Country Parties as commitments under Article 4.3, 4.4 and 4.5 and keeping in mind the conditionality of Article 4.7

United Nations Convention in combating Desertification

General Obligation	Whether met or not
The Parties shall implement their obligations under this Convention, individually or jointly, either through existing or prospective bilateral and Multilateral arrangements or a combination thereof, as appropriate, emphasizing the need to coordinate efforts and develop a coherent long-term strategy at all Levels.	The implementation of activities pertaining to UNCCD obligations are very well supported by the existing law and regulation, which provide a good legal framework. The following are the key laws for combating land degradation; X Land Act 1979; X Environment Assessment Act 2000; X Forest and Nature Conservation Act, 1995; X Forest and Nature Conservation rules 2006; X Mines and Minerals Management Act 1995; X Mines and Minerals Management regulations 2000; X Road Act 2004; X Dzongkhag Yargye Tshogdu Chathrim 2002; and X Geog Yargye Tshogchung Chathrim 2002.
Adopt an integrated approach addressing the physical, biological and socio-economic aspects of the processes of desertification and drought;	The National Focal agency for UNCCD has carried out programmes and activities that directly or indirectly contribute to combating land degradation, which are: <ul style="list-style-type: none"> ➤ National Land Management Campaign; ➤ Sustainable Land Management Project funded by the Global Environment Facility through the World Bank; and ➤ Capacity Building in and Mainstreaming of Sustainable Land Management in Bhutan (pipeline GEF/UNDP project).
Give due attention, within the relevant international and regional bodies, to the situation of affected developing country Parties with regard to international trade, marketing arrangements and debt with a view to establishing an enabling international economic environment conducive to the promotion of sustainable development	
integrate strategies for poverty eradication into efforts to combat desertification and mitigate the effects of drought;	
Promote cooperation among affected country Parties in the fields of environmental protection and the conservation of land and water resources, as they relate to desertification and drought;	MoA through it land management campaign has sought external help as certain issues of land management covering water shed areas require full support and participation of many partners. However, no partnership agreements have ever been concluded and/or are being initiated within the framework of the UNCCD.
Promote the use of existing bilateral and multilateral financial mechanisms and arrangements that mobilize and channel substantial financial resources to affected developing country Parties in combating desertification and mitigating the effects of drought	The projects currently under the implementation which are directly or indirectly related to UNCCD are as attached as <i>Appendix A1</i> .
SPECIFIC OBLIGATION	WHETHER MET OR NOT
Give due priority to combating desertification and mitigating the effects of drought, and allocate adequate resources in accordance with their circumstances and capabilities	The projects currently under the implementation which are directly or indirectly related to UNCCD are as attached as <i>Annexure A1</i> .
Address the underlying causes of desertification and pay special attention to the socio-economic factors contributing to desertification processes;	National Report on the implementation of the UNCCD in Bhutan (2006), Land management campaigns and Rural Livelihoods and Peri-Urban Analysis.
Promote awareness and facilitate the participation of local populations, particularly women and youth, with the support of nongovernmental organizations, in efforts to combat desertification and mitigate the effects of drought.	

United Nations Convention on Biological Diversity

General Obligation	Whether met or not
The conservation of biological diversity	<ul style="list-style-type: none"> • The country is known as a centerpiece in the eastern Himalayas as one of the global hotspot. • The tiny nation of Bhutan ranks among the most biodiverse in the world. • Bhutan is seen as a model for proactive conservation initiatives. The Kingdom has received international acclaim for its commitment to the maintenance of its biodiversity. • Environmental conservation has been placed at the core of the nation's development strategy, the middle path, Constitution of the kingdom, Bhutan 2020. <div> <div> BHUTAN and its species <ul style="list-style-type: none"> • 5,603 species of vascular plants; • 677 species of bird; and • 200 species of mammals. </div> <div> Domestic Biodiversity <ul style="list-style-type: none"> x 80 species of agricultural crops; and x 15 species of livestock. </div> </div>
The sustainable use of its components	Currently, 72% of the country is covered with forests (or other communities of native vegetation), and the Bhutanese government policy as per the Constitution of the kingdom of Bhutan mentions that this percent must never fall below 60% in the future.
Specific obligation	Whether met or not
Develop national strategies, plans or programmes for the conservation and sustainable use of biological diversity or adapt for this purpose existing strategies, plans or programmes which shall reflect, inter alia, the measures set out in the convention relevant to the contracting parties concerned	<div> <div> <p>Bhutan had prepared Biodiversity Act of Bhutan, 2003 and National Biodiversity Action Plans (BAP) to comply with the obligation of the convention. Bap is recognized as a “living document” that will be relevant to changing circumstances and needs related to biodiversity conservation. The BAP primarily outlines the status of the biodiversity in the country and describes the actions to be taken by the country for the conservation and sustainable use of its biodiversity resources. Till date three BAP has been prepared by the National biodiversity Centre, Ministry of Agriculture.</p> </div> <div> <p>Other Initiatives: The operationalisation of protected areas, establishments of biological corridors linking the protected areas in the country, establishment of Royal Bhutan Gene Bank and Royal Botanical Garden and strengthening programs to conserve indigenous varieties of plants and animals genetic resources.</p> </div> </div>
Integrate as far as possible and as appropriate the conservation and sustainable use of biological diversity into relevant sectoral or cross-sectoral plans, programmes and policies	<p>Master plans and strategies for the development of important sectors along with numerous by-laws and acts which have the potential to impact biodiversity negatively or to assist in its conservation, depending on how much attention is given to issues of biodiversity conservation as follows:</p> <ul style="list-style-type: none"> • Afforestation Strategy; • Agro-biodiversity Policy and Legal Framework; • Arable Agricultural Development Policy and Strategy; • Bhutan Forest Master Plan; • Bhutan Land Act; • Bhutan Power Master Plan; • Cooperatives Act; • Environmental Assessment Act; • Farm Road Construction Guidelines; • Forest and Nature Conservation Act of Bhutan; • Forest and Nature Conservation Rules of Bhutan; • Forestry Subsector Development Policy and Strategy; • Geog Planning Policy and Process; • Horticulture Master Plan; • Land Swapping Policy; • Land Use Master Plan; • Live Watershed Management and Social Conservation Act; • Livestock Development Policy and Strategy;

	<ul style="list-style-type: none">• Mining Act;• National Eco-Tourism Policy and Strategy;• National Environment Protection Act (under preparation);• National Environmental Education Strategy (under preparation);• National Environmental Strategy - The Middle Path;• National Irrigation Policy;• National Pasture Policy 95 <p>NBC through the ABC project funded by the Netherlands</p> <ul style="list-style-type: none">• Pasture Policy (Draft);• Pesticides Act;• Plant Quarantine Act; and <p>Seeds Act</p>
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Vienna convention for the protection of the ozone layer and Montreal Protocol on Substances that deplete ozone layer.

General Obligation	Whether met or not	Remarks
The Parties shall take appropriate measures in accordance with the provisions of this Convention and of those protocols in force to which they are party to protect human health and the environment against adverse effects resulting or likely to result from human activities which modify or are likely to modify the ozone layer.	Yes	<p>There are as such no quantified emission limited reduction targets for Bhutan as a party under the protocol. Some of the key laws and enforcements programs that contribute in the preservation of the ozone layer are as follows:</p> <ul style="list-style-type: none"> • <i>Rules and Regulations on ODS, 2005 and enforced by the Dept. of Revenue and Customs;</i> • Regulation on Control of Ozone Depleting Substances, 2008; • <i>Penalties as per this regulation and Sales Tax, Customs and Excise Act, 2005;</i> • <i>A joint government circular (MTI and NEC) was issued 2005 as per issue order No. NEC/MTI/NOU/2005/8797 banning the export and import of all ODS and ODS using equipment as of 1 February 2005. In addition to that a Regulation on ODS was adopted in 2005;</i> • <i>Banned ODS in Bhutan: Chlorofluorocarbons (CFC) e.g. CFC-11, CFC-12, CFC 13, CFC-113, CFC-114, CFC-115, Halons, Methyl Bromide, Methyl Chloroform and Carbon Tetrachloride (CTC);</i> • <i>Licensing requirement for import/ export of controlled ODS (HCFC);</i> • <i>Ban of ODS & ODS based Equipments & Appliances;</i> • <i>Preventing illegal trade in ozone-depleting substances;</i> • <i>Clean Development Mechanism under Kyoto protocol;</i> • <i>Meeting the 50% reduction of ODS as of Jan 2005;</i> • <i>Achieved the commitment to completely phase out CFC by Jan 2010;</i> • <i>First Green house inventory, Sep 2000; and</i> • <i>Phase out HCFC starting 2013.</i>
<p>Future Actions:</p> <ul style="list-style-type: none"> ▪ Additional retrofitting activities ▪ Curriculum development to offer refrigeration and air conditioning modules in the educational institutions ▪ Training of more technicians in retrofitting ▪ Technical Support to industries in terms of identifying alternatives to the ODS used <p>Plans for HCFC Phase out schedule</p> <ul style="list-style-type: none"> ▪ A baseline survey conducted to identify the uses and stock of HCFC in Bhutan ▪ A Licensing System will be put in place to allow for registered enterprise access to HCFC on a quota basis to keep in with the phase out schedule. ▪ These will be done in close consultation with all affected sectors such as the private sector, Agriculture etc. <p>Phase-out schedule for HCFCs in Bhutan:</p> <ul style="list-style-type: none"> ▪ The baseline level is set at the average of the 2009 and 2010 levels of consumption and production respectively. ▪ Freeze at baseline level in 2013 ▪ phase-out needs to be completed in 2030 based on the following reduction steps: ▪ 10 percent reduction by 2015. ▪ 35 percent reduction by 2020. ▪ 67.5 percent reduction by 2025. ▪ For servicing an annual average of 2.5 percent of the baseline is allowed during the period 2030-2040. 		

The projects currently under the implementation which are directly or indirectly related to UNCCD are as tabulated below:

Project Title	Timeframe	Partners Involved	Overall Budget
Sustainable Land Management Project	2006-2011	GEF, World Bank, DANIDA, various RNR sector agencies, Dzongkhag Administrations	US\$ 15.89 million
National Land Management Campaign	2005	Various RNR sector agencies, Dzongkhag Administrations	Nu. 6.7 million (first year)
Wang Watershed Management Project	2001-2007	European Community, various RNR sector agencies, Dzongkhag Administrations	Euro 13.3 million
Environment and Urban Sector Support Programme	2004-2008	DANIDA, NEC, various RNR sector agencies, City Corporations, MTI	DKK 110 million
East Central Region Agriculture Development Programme	2002-2007	Helvetas, various RNR sector agencies	CHF 2.5 million
Participatory Forest Management Project	2002-2007	Swiss Development Cooperation, Department of Forestry, Dzongkhag Administrations	CHF 3.8 million
Community-based Biodiversity Conservation and Ecosystem Management	2004-2008	Sustainable Development Secretariat, Department of Forestry, Dzongkhag Administrations	Nu. 102 million
Conservation Management Planning for Sakten Wildlife Sanctuary	2003-2006	MacArthur Foundation, Department of Forestry, Dzongkhag Administrations	Nu. 26.3 million
Linking and Enhancing Protected Areas in the Temperate Broadleaf Forest Ecoregion of Bhutan	2003-2007	UNDP, WWF, GEF, Department of Forestry, Dzongkhag Administrations	US\$ 1.855 million

Source: National Report – Implementation of the UNCCD to combat desertification in Bhutan, June 2006.

