

## APPLICATION FORM/PROPOSAL TEMPLATE FOR READINESS PACKAGE GRANTS

### Application for a Grant to support NIE accreditation through the readiness package

Submission Date: 12th July 2024

Adaptation Fund Grant ID:

Country receiving support: **Bhutan**

Institution to navigate accreditation process, if already identified: **Royal Society for Protection of Nature (RSPN)**

Name of Implementing Entity delivering support: **Bhutan Trust for Environmental Conservation (BT FEC) Bhutan**

Type of Implementing Entity delivering support (NIE/RIE/MIE): **NIE**

#### A. Timeframe of Activity

Expected start date of support	April, 2024
Completion date of support	March, 2025

#### B. Experience participating in, organizing support to, or advising other NIE candidates

The Bhutan Trust Fund for Environmental Conservation (BT FEC) is the only environmental trust fund in the country managing funds and projects on nature conservation and environment. BT FEC ensures that there is a sustainable flow of funds in the country for environmental conservation and addressing climate change for perpetuity. BT FEC is the country's only NIE to the Adaptation Fund and DAE to the GCF. In the process of NIE accreditation, BTF has:

- Strengthened institutional capacity;
- Instituted Environment, Social and Gender Policies;
- Enhanced fiduciary standards;
- Improved governance and enhanced transparency;
- Developed human resource capacity.

As an NIE, BTFEC has:

- Accessed AF Readiness Grant aiming to enhance the capacity of BTFEC to assess and manage environmental, social and gender related issues and its compliance with the Adaptation fund's Environmental and Social and Gender Policy. The outcome of this grant was technical assistance in developing gender and social policy with capacity building in Environmental, Social and Gender Policy.

The specific areas of support under this grant includes:

1. Development of Dashboard for Social, Environment and Gender Safeguards;
2. Sourcing expertise for Grievances and Complaint Redress Mechanism;
3. Capacity building on Environmental, Social and Gender Policies.

As the NIE in the country, BTFEC implements the following projects of the AF.

1. Building Adaptive through Innovative Management of Pests/Disease and Invasive Alien Species (IAS) in Bhutan to Enhance Sustainable Agro-biodiversity and Livelihoods with grants amounting to USD 250,000 from July 2022 to June 2027.
2. Adaptation to Climate-induced Water Stresses through Integrated Landscape Management in Bhutan with grants amounting to USD 9.951 Million from July 2023 to June 2028.

In addition, BTFEC has submitted the project concept note on Securing Water & Enhancing Climate Resilience in Thimphu(rural) District, Bhutan with a fund of USD 5 Million under the Enhanced Direct Access in January 2024.

BTFEC was also accredited to GCF in April 2020 as a Direct Access Entity (DAE) eligible to manage micro-sized projects of USD 10 million. As of date, BTFEC has availed the following funds from the GCF:

1. USD 100,000 under readiness program for institutional capacity building for BTF in 2017;
2. USD 113,690 under the readiness program for capacity development of the DAE to develop high-quality concept notes and funding proposals that comply with GCF policies and standards.

In summary, as an NIE and DAE, BTF has gained the following experiences:

1. Managing legal arrangements with AF and GCF;
2. Managing human and financial resources;
3. Recruiting local and international consultants;
4. Developing quality project performance reports;
5. Engaging and carrying out internal and external audits;

6. Monitoring, reporting and evaluation of the projects;

The following table summarizes the various initiatives and BTFEC's staff's participation in the accreditation activities.

- (i) Describe the support provided for accreditation through readiness grants from the Adaptation Fund to developing countries and/or entities seeking to use the Fund's Direct Access modality (please list only up to five of the most recent and add any others as an annex to this template).

<b>Year support started</b>	<b>Year support ended</b>	<b>Climate Fund (source of grant)</b>	<b>Type of support provided</b>	<b>Outcome of the support</b>	<b>Country/institution supported</b>
2022	2022	BTFEC	BTFEC provided capacity building support to financial institutions on accreditation process, including gap assessment and development of missing policies. After this training, policies and document relevant to accreditation were developed.	Accreditation application Review of the Three Financial Institutions (Bank of Bhutan, Bhutan Development Bank and Bhutan National Bank) under process with GCF.	Financial Institutions (Bank of Bhutan, Bhutan Development Bank and Bhutan National Bank)
2022	2022	BTFEC	BTFEC provided capacity building to NIE candidate, RSPN on accreditation	RSPN is acquainted with AF accreditation processes, criteria and other requirements. RSPN's accreditation	RSPN, Bhutan

			processes with Adaptation Fund. The training also included sharing experiences on documentation and responding to the comments of AF.	process with AF is underway.	
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(ii) Describe any other type of support provided outside the grants from the Adaptation Fund to other national, sub-national and/or local entities relevant to the AF accreditation process.

Year support started	Year support ended	Climate Fund (source of grant)	Type of support provided	Outcome of the support	Country/institution supported
2016	2016	BTFEC/National Bank for Agriculture and Rural Development (NABARD)	Led by BTFEC, a team comprising of DA and other relevant stakeholders visited NABARD in Jan 2016 to learn lessons on accreditation processes of AF and sharing of experiences.	Lessons learned on accreditation process and sharing experiences on the implementation of AF funded projects	Ministry of Finance, Ministry of Home Affairs, Gross National Happiness Commission
2017	2017	BTFEC/UNEP	As a result of BTFEC's participation in the Climate Finance Access	Participants were created awareness on climate finance and Direct	Ministry of Finance, Gross National Happiness Commission, CSOs including RSPN,

			and Accreditation workshop organized by UNEP, BTFEC shared experiences on climate finance and Direct Access Modalities to the stakeholders	Access Modalities	Bhutan Ecological Society, Youth Development Fund, Tarayana Foundation, Clean Bhutan and Waste Association of Bhutan.
2021	2021	DA/BTFEC	BTFEC sensitized Financial Institutions, CSOs and NGOs on accreditation process and the role of BTFEC as the NIE in terms of addressing climate issues in the country	Stakeholders sensitized on the accreditation process, climate finance and role of NIE	Bhutan Ecological Society, Bhutan Water Partnership Secretariat, Royal Society for Protection of Nature, Handicrafts Association of Bhutan, Lhomon Society, Samdrup Jongkhar Initiative, RENEW Bhutan, Tarayana Foundation, Loden Foundation, Disabled People's Organization, Bhutan for Life and private entities -Greener Way, I-HuB Bhutan and Fab Lab.
2023	2023	BTFEC	BTFEC conducted training workshop on the project performance reporting (PPR)	Familiarization and sensitization of relevant stakeholders on the standards and reporting requirements for the two ongoing Regular and	Ministry of Energy and Natural Resources, Ministry of Finance, Ministry of Infrastructure and Transport, Ministry of Agriculture and Livestock, and Ministry of Health and local

				Small Innovation Adaptation Fund supported Projects.	governments from Mongar, Dagana, Tsirang and Paro Districts.
2023	2023	BTFEC	BTFEC organized a stakeholder consultation workshop on “Building the Capacity of National Stakeholders to Address Climate and Disaster Related Risks”	Stakeholders sensitized on the urgency of climate action.	Ministry of Finance, Ministry of Home Affairs, Financial Institutions Bank of Bhutan, Bhutan National Bank & Bhutan Development Bank, CSOs representatives from Bhutan Ecological Society, Clean Bhutan, Tarayana foundation, Youth Development Fund, GNH Centre Bhutan, Evaluation Association of Bhutan, local governments and communities’ entities from Dagana, Paro Tsirang, Mongar, Trashigang, Trashiyangtse Districts.

### **C. Proposed activities to support NIE accreditation**

(i) Describe the initial exchange that took place with the candidate entity and with the DA e.g., state with who (director, committee, DA etc.). Also, state when the discussion took place and state what conclusions were arrived at. e.g., briefly state what issues the identified candidate NIE(s) is likely to face considering its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers and anti-corruption measures.

The Candidate NIE (RSPN) had initiated the kickoff meeting with the DA, Ministry of Finance, Royal Government of Bhutan on 6th May 2022. Subsequently, RSPN had several rounds of meetings and discussions with the DA and the NIE on accreditation processes.

In view of accessing climate finance in addressing imminent climate change adaptation issues in the country and given the RSPN's extensive experiences in managing climate fund and its implementation capabilities, the DA provided concurrence to the RSPN's proposal of processing accreditation with the AF. Subsequently, the DA issued a letter of concurrence to the RSPN providing a formal endorsement to proceed the accreditation with the AF (Annexure 1). The RSPN's has undergone rigorous Financial Management Capacity Assessment (FMCA) process and finally obtained the Delivery Partner status of the GCF. It is currently managing the GCF Readiness Project amounting to USD 1 million.

The above meeting between the candidate NIE and DA also deliberated on the identified NIE, BTFEC on its institutional capacity in managing the AF readiness package grant, implementation of climate change and biodiversity projects and existence of sound and robust governance systems, including monitoring and evaluation, internal audits, social and environmental safeguards, self-investigative powers and anti-corruption measures. The meeting noted and acknowledged that BTFEC's was established in 1991 under the Royal Charter as the first collaborative innovative environmental trust fund in the region to finance conservation program over the long-term period with the goodwill and financial support from the multilateral agencies (Global Environment Facility (GEF) and WWF) and bilateral countries, including Denmark, Finland, Netherlands, Norway and Switzerland. Since then, the BTF grew and expanded both in terms of endowment fund portfolio and operations with other international agencies in addressing nature conservation and climate change issues in the country. Currently, BTFEC is the 28th NIE of Adaptation Fund and it is implementing AF project amounting to USD 9.95 million. It also became a Direct Access Entity (DAE) of GCF on 6<sup>th</sup> January, 2021 and it is implementing a GCF readiness project. As BTFEC has proven its institutional competency and existence of accreditation standards such as financial management and integrity, transparency, self-investigation power and anti-corruption measures to both AF and GCF, the meeting held between

the candidate NIE and DA concluded that there is no foreseeable issues and challenges that the BTFEC will face in managing the readiness package grant.

The candidate National Implementing Entity (RSPN) and National Implementing Entity (BTF) held a meeting on 3<sup>rd</sup> February 2023 to discuss gaps and challenges of the NIE candidate in navigating accreditation processes (Record of Discussion attached)

The NIE observed that candidate RSPN has the following documents relevant to accreditation. (i) Establishment of legality (ii) Service rules and regulation (iii) Procurement and property rules and regulation (iv) Financial rules and regulation (v) Anti-Money Laundering and Countering Financing Terrorism (vi) Compliant and redress mechanism policy (vii) Internal control system.

However, the NIE observed the following gaps and challenges in the candidate NIE that needs to be addressed.

1. Weak Environment Social Safeguards
2. No Gender policy
3. Weak Risk Management (pre-project appraisal and operational)
4. Weak alignment of internal control framework with AF standards and principles
5. Capacity building on implementation on the above missing gap and standards.

To address the above gaps and challenges, the NIE recommended NIE candidate to access readiness package grant.

The NIE also recommended the NIE candidate to gain deeper understanding of accreditation process for which the NIE committed to support the NIE candidate through conduct of series of workshops and bilateral consultation meetings.

The NIE shared the institutional visit to the successful accredited entities (For example BTFEC visit made to NABARD, NIE, India) was helpful in learning and addressing gaps and challenges, and how to process accreditation and how to develop pipeline project proposals.

As a way forward, the NIE and NIE candidate agreed to meet frequently. Following this meeting, the two agencies met twice: one on the 3<sup>rd</sup> Feb, 2024 to improve the readiness grant proposal (annexure 2 & 3) and the other on 29<sup>th</sup> February to 1<sup>st</sup> March, 2024 (Letter attached as Annexure 4)

(ii) Describe results of the self-assessment done by the candidate NIE or assessment done by intermediary on suitability of the candidate/nominated NIE to meet the accreditation criteria. (The AF accreditation course can be found [here](#)).



RSPN has hired an Independent Consultant to conduct candidate NIE self-assessment in August 2023. The assessment included criteria such as legal status, financial and management integrity, institutional capacity, procurement, project management and execution, monitoring, reporting and evaluation, transparency, self-investigation, anti-corruption and compliance to Environment, Social and Gender Policies. The assessment report found that the candidate NIE is meeting the standards of the accreditation satisfactorily. RSPN also recruited another Independent Consultant to assess the capacity of potential agencies in managing and executing climate finance. Out of 47 agencies assessed, the candidate NIE was found to be the most qualified and appropriate agency in managing and implementing climate change project.

(iii) Briefly justify why the nominated NIE candidate is best suited to meet the accreditation criteria.

The DA and the NIE recommended the candidate NIE to be the best potential candidate in meeting the accreditation criteria for the following reasons:

**Legal status:** The Royal Society for Protection of Nature (RSPN) was established in 1987 under the Royal Command of His Majesty The Fourth King of Bhutan as a citizen based Non-Governmental Organization (NGO) aimed to conserve the Kingdom's natural heritage. It is the oldest and largest non-governmental organization in the country. Her Majesty The Queen of Bhutan is the Royal Patron of the RSPN demonstrating the country's strong will and commitment towards nature conservation right from the highest level. It is governed by the Board of Directors, which is supported by the secretariat.

It was registered under the company's Act as a non-profit Non-Governmental Organization in 1989. It was then registered as a Non-Governmental Organization with the Civil Society Organization Authority of the Royal Government of Bhutan in 2010 with the registration number CSOA/PBO – 06.

As a CSOA, it has a statutory power to contract with any international organizations, including Adaptation Fund (AF), corporate sponsorships and individual donations to implement environmental conservation and livelihood projects.

**Financial and Management Integrity:** RSPN follows GAAP/IFRS cash basis accounting system, harmonized with RGoB Financial Management Manual (2016), and drawn from the Public Finance (amendment) Act of Bhutan 2012. The RGoB Financial Management Manual largely covers budgeting, accounting, taxation, procurement, and reporting. These rules and regulations are widely accepted and recognized by international development partners such as the World Bank (WB) and Asian Development Bank (ADB). The RSPN's Revised Financial Rules and Regulations, 2022 also ensures that the financial transactions, recording and disbursement are in conformity with Bhutanese Accounting Standards (BAS) for small and medium enterprise, which is aligned with the International Financial Reporting Standards (IFRS) and Generally Accepted

Accounting Principles (GAAP). RSPN conducts audit annually by the Royal Audit Authority (RAA), the Supreme Audit Institution (SAI) of Bhutan, which conducts the audit in accordance with International Standards of Supreme Audit Institutions (ISSAI) as the member of the SAI of both International Organizations of Supreme Audit Institutions (INTOSAI) and Asian Organization of Supreme Audit Institution (AOSAI).

### **Institutional capacity:**

**Procurement:** RSPN is governed by its “Procurement and Property Rules and Regulations 2022. It is aimed at ensuring transparency, fairness, and efficiency in the acquisition of goods, works, and services and covers all matters relating to procurement. For any clause/item, which is not covered under this policy, the RSPN follows a procurement policy and procedure of the Royal Government of Bhutan 2019 and standards of the Bhutan CSO Accountability Standard. There is a separate dedicated Administration and Finance Division operated with qualified professional finance and accounts officers providing finance and procurement related services.

**Project management and execution:** RSPN has capacity and extensive experience in managing the projects including project identification, formulation, and appraisal and overseeing the execution of projects. Currently, it has formulated and got approved a GCF readiness project amounting to US\$ 1 million and is implementing IKI Climate project financed by the Government of Germany amounting to US\$ 4.6 million. To ensure that the projects deliver their deliverables on time with impacts, there is a separate dedicated Department: Department of Program Coordination and Climate Change (DPCCC). It is supported by the four divisions namely, the program development division, species conservation division, sustainable livelihood division and climate change division with a total of 17 staff. The Administration and Finance Division, especially the finance unit facilitates and provides logistics and other related support to the Department for its smooth and effective operations.

**Monitoring and Evaluation:** RSPN also has a robust project monitoring and evaluation system and a dedicated M&E unit, headed by a qualified M&E specialist. While periodic monitoring and mid terminal evaluation of the projects are commissioned by the RSPN team, all terminal evaluations are conducted by independent external agencies to ensure that evaluation findings are objective, unbiased and without prejudice. The evaluations at the RSPN typically appraises the performance and learnings from a project and provide mid-course correction, direction for further improvement in implementation, planning and decision-making.

**Transparency, self-investigation and Anti-corruption:** In terms of anti-corruption, and transparency, the RSPN is guided and governed by its ‘Anti-Fraud, Bribery and Corruption Policy 2022, and ‘Anti-Money Laundering and Countering Financing of Terrorism Policy 2022. As part of enforcing these policies, there is a mechanism in the RSPN website to monitor and address complaints about environment and social harms caused by its projects. The RSPN has also Complaint and Grievance Redressal Mechanism Policy 2021.

**Adaptation Fund's Gender Policy:** While there are references to gender made in the program, operation and management, guideline of the RSPN, RSPN does not have a dedicated gender policy. However, given the gender mainstreaming pursued in the day-to-day operation and projects of the RSPN, there is no issue for the RSPN to comply with the Adaptation Fund Gender Policy. RSPN is in the process of developing Gender Policy aligned to Adaptation Fund's Gender Policy.

**Delivery Partner (DP) of GCF.** RSPN has been approved as the DP of the GCF. It is currently implementing the GCF Readiness project amounting to US\$ 1 million. While preparing for DP endorsement, RSPN had to prepare a Financial Management Capacity Assessment (FMCA) of the GCF, which assess the RSPN's capacities in terms of financial and project management and whether the RSPN meet GCF standards in terms of procurement, finance, social and environmental safeguards, fiduciary and anti-corruption measures. RSPN was found meeting all the required standards of the GCF.

(iv) Provide a list in chronological order of occurrence, of the main components/steps that would be implemented to address the NIE candidate gaps/challenges, the activities to be undertaken, and the requested budget to support accreditation of the NIE candidate. An example is provided within the table in italics

<b>Component</b>	<b>Proposed support activities to address Gap/Challenge</b>	<b>Expected Output of the Activities</b>	<b>Country/Institution to be supported</b>	<b>Tentative completion date</b>	<b>Requested budget for component (USD)</b>
<b>Component 1: Developing and updating policies and manuals</b>	Activity 1.1: Technical assistance (TA) in development of environmental and social safeguards and other relevant accreditation documents	-E&S safeguard policy developed	RSPN, Bhutan	31-Jul-24	13,575.00
	Activity 1.2: Technical assistance in developing Gender Policy	-Gender Policy developed	RSPN, Bhutan	30-Jun-24	13,575.00
	Activity 1.3: Technical assistance in developing operational manual for project appraisal and formulation	-Operational manual for project cycle management, including pre-project appraisal and climate risk assessment developed.	RSPN, Bhutan	31-Jul-24	10,575.00

	Activity 1.4: Update Financial Rules and Regulation, Procurement Rules and Regulation, Service Rules and Regulation, Anti-money laundering Policy, Countering Financing Terrorism, Grievance Redressal Mechanism	-Updated documents (Financial Rules and Regulation, Procurement Rules and Regulation, Service Rules and Regulation, Anti-money laundering Policy, CFT, Grievance Redressal Mechanism)	RSPN, Bhutan	31-Aug-24	20,362.50
	Activity 1.5: Consultation and Validation workshop on ESS, Gender Policy and updated manuals and policies	-Strengthen capacity of the candidate NIE	RSPN, Bhutan	30-Sep-24	7,693.75
	Activity 1.6: Institutional visit to one of the NIEs to learn lessons, challenges on accreditation and project proposal development under AF	-Timely submission of responses to the Adaptation Fund Secretariat and Review Panel	RSPN, Bhutan	31-Jul-24	32,400.00
<b>Component 2: Stakeholder consultation meeting to discuss and respond to AF comments</b>	Stakeholder consultation (primarily DA and NIE) workshop meeting to respond to AF comments		RSPN, Bhutan	31-Dec-24	38,900
<b>Component 3: Audit</b>	Conduct annual audit at the end of the project	Audit Report prepared and submitted	RSPN, Bhutan	30-Jun-25	1000

Total Project/Programme Cost	<b>138,081.25</b>
Project/Programme Cycle Management Fee charged by the Implementing Entity (Maximum of 8.5%)	<b>11,737.00</b>
<b>Total Grant Requested (USD)*</b>	<b>149,818.25</b>

**\*Please refer annexure 5 for detailed budget (with budget notes including a note of how the management fee will be used) attached as an annex to the application**

**D. Justification of project activities**

Provide a description of each identified NIE candidate gap/challenge and explain the status core, current processes and procedures within the NIE candidate regarding the identified gap/challenge and explain how the activities to be undertaken would address the identified gaps/challenges to advance accreditation of the NIE candidate. For new policies, procedures and institutional structures that need to be newly established, also provide a timeframe for demonstrating their effective operation and submission of evidence to the Accreditation Panel (AP), including responding to feedback from the AP. (for missing policies, manuals and institutional structures, please list and explain each one individually)

<b>Gaps/Challenges</b>	<b>Activities to be undertaken</b>	<b>Means of Verification</b>
While the NIE candidate has environmental and social safeguards embedded into its Service Rules and Regulation (SRR) 2022, it does not have a separate ESS policy. In the absence of ESS policy, the NIE candidate currently adheres to the ESS provisions referred in the SRR and follows the ESS policies and requirements of each donor supporting the project.	To address ESS gap, the NIE candidate proposes to develop an ESS policy and make it compatible with the ESS policy of AF and other best international practices by implementing the following activities <ul style="list-style-type: none"> <li>- Develop an ESS policy compatible with AF ESS policy and complete it and make it operational by July, 2024</li> <li>- Since the developed ESS policy is new to the NIE candidate, develop the capacities of the NIE candidate and other relevant agencies, including the</li> </ul>	ESS Policy developed, NIE candidate, and other relevant agencies capacities built on ESS policy and application.

	<p>DA and NIE on new ESS policy</p> <ul style="list-style-type: none"> <li>- The new ESS policy will also discuss the rights of the Indigenous people (IP) and their inclusion into the decision-making processes of the project.</li> </ul>	
<p>While gender mainstreaming into the NIE candidate strategic plan and day-to-day operations is carried out, the NIE candidate lacks Gender Policy and indicators to provide strategic direction in terms of gender and its mainstreaming into the programs and projects. In the absence of gender policy, the NIE candidate currently adheres to national gender policy and the gender mainstreaming guidelines and requirements of each donor financing the project.</p>	<p>On an urgent basis, the NIE candidate proposes to develop a Gender policy and gender mainstreaming guideline by implementing the following activities:</p> <ul style="list-style-type: none"> <li>- Designing gender indicators referring to the international and national indicators and monitoring and evaluation framework for these indicators</li> <li>- Develop Gender Policy and gender mainstreaming guideline</li> <li>- Capacity building on the newly developed gender policy and how to mainstream gender issues into the NIE candidate projects</li> </ul>	<p>Gender policy and gender mainstreaming guideline developed</p> <p>Capacity building workshop conducted on Gender policy and mainstreaming.</p>
<p>The Program Operation and Management Guideline 2020 contains provisions on project operations relating to project identification, risk assessment and monitoring and evaluation. However, it is not comprehensive and overlooks other important features of project cycle management and internal auditing. In the absence of this manual, the candidate NIE currently follows the provisions of the Program Operation and Management Guideline 2020 and M&amp;E manual, which partly addresses the issues.</p>	<p>The NIE candidate proposes to develop a project operational and management Manual covering the entire project cycle, including project identification, project appraisal quality at entry, social and environmental risks identification and mitigation measures, project monitoring and and evaluation and how to mainstream cross cutting themes, including gender into projects. The NIE candidate will</p>	<p>Project operational manual</p>


	establish an internal auditing system. We plan to complete this activity and make it operational by July, 2024	
The NIE candidate is governed by its FRR, SRR, Anti-money laundering, CFT, Grievance Redressal Mechanisms. Since these documents were prepared a few years ago, it warrants updating them and aligning them with international best practices and standards, including its compliance with that of Adaptation Fund.	The NIE candidate intends to review all the existing accreditation relevant documents of the RSPN to meet the accreditation standards of AF and make it relevant to the current context. We plan to complete this activity August 2024	Standard documents meeting AF accreditation standards.
The NIE candidate has a strong management will, coupled with unstinted government support based on its proven past performance records in the field of nature conservation and climate change. However, it is venturing into accreditation for the first time and lacks accreditation experience and constant engagement with AF on accreditation and developing climate adaptation proposals in tandem.	With an objective to learn accreditation experience and lessons such as documentation for accreditation with evidence, responding to the AF comments on time and satisfactorily and prepare project proposal in tandem with accreditation, the NIE candidate proposes to make an institutional visit to one of the NIEs including BTFCE that has a proven track-record and experience on accreditation, project proposal development and engagement with AF and other similar climate finance institutions.	Institutional visit conducted
RSPN has submitted its accreditation application and it is currently under review by the AF Secretariat. We foresee a	To address the comments of the Accreditation Panel, RSPN will hold a series of meetings and workshops with the key stakeholders,	Meetings and workshops



series of comments from the Secretariat and the Accreditation Panel requiring wider stakeholder consultations, including with the DA and NIE	including with the DA, NIE and other relevant partners.	
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**E. Implementing Entity**

This request has been prepared in accordance with the Adaptation Fund Board’s procedures

Head of Implementing Entity	Signature	Date (Month, day, year)	Implementing Entity Contact Person	Telephone	Email Address
Dr. Karma Tshering  Managing Director, Bhutan Trust Fund for Environment Conservation		12 <sup>th</sup> July 2024	Mr. Kinley Tshering,  Chief Program Officer	+97517113866	<a href="mailto:karma@bhantrustfund.bt">karma@bhantrustfund.bt</a>  <a href="mailto:kinley@bhantrustfund.bt">kinley@bhantrustfund.bt</a>

**F. Record of request of support on behalf of the government**

Provide the name and position of the government official who is the Designated Authority of the Adaptation Fund in the NIE candidate country and indicate date of endorsement. The letter of endorsement from the Designated Authority should be attached as an annex to the application.

(Mr. Tshering Dorji, Director, Department of Macro-Fiscal and Development Finance, Ministry of Finance	Date: (Month, day, year)  July 12, 2024
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**The Designated Authority**

Seal and Sign

  
Director

**Department of Macro - Fiscal  
and Development Finance**



## Annexure 1: No Objection Letter from Designated Authority



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དཔུང་ཚེས་ལྷན་ཁག།  
DEPARTMENT OF MACRO-FISCAL AND DEVELOPMENT FINANCE  
MINISTRY OF FINANCE

MoF/DMDF/AF\_DA/2022-2023/1089

26/12/2022

Mr. Mikko Ollikainen,  
Manager of the Fund,  
Adaptation Fund Secretariat, Washington D.C., USA.

**Subject: Expression of Interest for Accreditation of RSPN as Second NIE to AF.**

Dear Manager of the Adaptation Fund,

Greetings from the Department of Macro-fiscal and Development Finance (DMDF), the office of the AF Designated Authority.


Based on the Decision 42 of the AF Board 36, each country party is permissible to have two NIEs. While Bhutan has its first national institution namely Bhutan Trust Fund for Environmental Conservation (BT FEC) accredited as 28<sup>th</sup> NIE of the AF on 25/01/2018, we avail opportunity to transmit 'Expression of Interest' to accredit Royal Society for Protection of Nature (RSPN) as the second NIE of the country as conveyed through RSPN's letter RSPN/GCF/2021/611 dated 07/12/2022.

The accreditation of the second NIE is to strengthen national owned institution to access resources from climate financing windows besides the assurance of country ownership and linkage of national institute to international agency to complement Bhutan's pursuit of conservation and climate actions. Therefore, we would like to seek Secretarial advice on the process of accreditation and request to cognise relevant actors on the necessary follow-up, as may be required to complete the accreditation formalities. Kindly also advise if RSPN is eligible to access 'Readiness Package Grant' for its accreditation, as per Decision 25 of the AF Board 36.

Kindly, accept assurance of my highest consideration.

Thanking you,

Yours Sincerely,

  
Loday Tsheten  
(Director).

## Annexure 2: Record of Discussion held between NIE and NIE Candidate

### Record of Discussion (RoD) held between NIE and NIE Candidate in Thimphu

Date: 3<sup>rd</sup> February 2023

Venue: BTF Conference Hall, Thimphu

Participants:

1. Wangchuk Namgay, Director, RSPN
2. Singye Dorji, Chief Financial Officer, BTF
3. Tsheten Dorji, Chief, Sustainable Livelihood Division, RSPN
4. Phuntsho Choden, Program Officer, BTF
5. Tshering Tobgay, Research Officer, RSPN
6. Dechen Tshomo, Finance Officer, RSPN

Upon endorsement from the designated authority on 26 December 2022, the candidate National Implementing Entity (RSPN) and National Implementing Entity (BTF) held a meeting on 3<sup>rd</sup> February 2023 to discuss gaps and challenges of the NIE candidate in navigating accreditation processes.

The NIE observed that candidate RSPN has the following documents relevant to accreditation. (i) Establishment of legality (ii) Service rules and regulation (iii) Procurement and property rules and regulation (iv) Financial rules and regulation (v) Anti-Money Laundering and Countering financing terrorism (vi) Compliant and redress mechanism policy (vii) Internal control system.

However, to navigate accreditation processes seamlessly the NIE observed the following gaps and challenges that needs to be addressed.

1. Environment Social Safeguards
2. Gender policy
3. Risk Management (pre-project appraisal and operational)
4. Internal control framework aligns to AF standards and principles
5. Capacity building on implementation on the above missing gap and standards.


The NIE recommended to access readiness package grant to support development of the above missing documents/policies and capacity building.

The NIE also recommended to get acquainted with the accreditation process for which the NIE is willing to support the NIE candidate through conduct of series of workshops and bilateral consultation meetings.

The NIE shared the institutional visit to accredited entities (for e.g. BTF visit to NABARD, India as a NIE candidate) was found to be meaningful in learning gaps and challenges, and how to process accreditation and development of pipeline project proposals.

As a way forward the NIE and NIE candidate agreed to meet as and when required, including to meet for development of readiness grants proposal imminently.

Mr. Wangchuk Namgay, Director, RSPN, NIE Candidate



Mr. Singye Dorji, Chief Financial Officer, BTF, NIE



## Annexure 3: Letter on Proposal Development with NIE candidate



### ། རྒྱལ་འཛིན་རང་བཞིན་སྲུང་སྐྱོབ་ཚོགས་སྡེ། Royal Society for Protection of Nature

Under the Royal Patronage of Her Majesty Gyaltsuen Jetsun Pema Wangchuck

Inspiring personal responsibility and actively involving the people of Bhutan in  
Conservation of the Kingdom's Environment

RSPN/AF/2024/ 34

30<sup>th</sup> January 2024

The Managing Director,  
Bhutan Trust Fund for Environment Conservation,  
Thimphu,

**Subject: Proposal for Readiness Package Grant under Adaptation Fund**

Dear Sir,

As you may be aware, RSPN is processing accreditation with the Adaptation Fund and its documents are currently under review by the Adaptation Secretariat. In order for the RSPN to fast-track its accreditation process with the Adaptation Fund and also to fill-up the capacity gaps both in terms of documentation and human resource relating to accreditation, the RSPN aspires to seek Adaptation Fund NIE accreditation Readiness Package Grant amounting to US\$ 150,000. The proposal is to be either submitted through the Country NIE (BT FEC) or Multilateral Entity accredited with Adaptation Fund by March, 2024.

Given the BT FEC's recognition as the country NIE and recent project management experience with Adaptation Fund, we propose to access the above readiness package grant through BT FEC. We would therefore request BT FEC to kindly consider submitting RSPN's proposal to access the above preparatory grant through BT FEC. We will share the proposal shortly and where necessary consult BT FEC for the proposal development inputs.

Thanking you,

Yours sincerely,

(Kinley Tenzin, PhD)  
Executive Director

Cc:

1. Offg. Director, Department of Macro-Fiscal and Development Finance, Designated Authority, Ministry of Finance for kind support



## Annexure 4: Letter on Meeting for Finalization of the Proposal



# ལྷོ། ། རྒྱལ་འཛིན་རང་བཞིན་སྲུང་སྐྱོབ་ཚོགས་སྒྲིག་ལྷན། Royal Society for Protection of Nature

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Conservation of the Kingdom's Environment

RSPN/AF/24 - 85

26<sup>th</sup> February, 2024

The Managing Director,  
Bhutan Trust Fund for Environment Conservation,  
Thimphu

**Subject: Invitation to the meeting on Readiness Grant under Adaptation Fund .**

Dear Sir,

As much aware, RSPN is developing a proposal under the Readiness Package Grant of the Adaptation Fund. In order to finalize the proposal, a meeting is scheduled from 29<sup>th</sup> February to 1<sup>st</sup> March, 2024 in Phuentsholing.

Based on the relevance and experience with the Adaptation Fund, we would request participation of Mr. Singye Dorji, Chief Finance Officer and Ms. Phuntsho Choden, Program Officer to the meeting. All logistics and DSA/TA shall be borne by the RSPN.

Thanking you,

Yours sincerely,

(Mr. Wangchuk Namgay)

**Director**

## Annexure 5: Detailed budget

Component	Activity	Budget Note	Rate	Total proposed budget
Component 1: Developing policies and manuals	<b>Activity 1.1:</b> Technical assistance (TA) in development of environmental and social safeguards and other relevant accreditation documents	Hiring of Consultant (Individual - Local)	USD 200*30 days	6000
		2 Consultation Meeting/Workshop	DSA = 1875(37.5 rate x 10 participants x 3 days)	1,125.00
			Mileage=625(62.5 rate x 10 participants)	625.00
			Food and Lodging= 1562.5(31.25 rate x 10 participants x 3 days)	937.50
			Conference Hall = 1000 (200 rate x 3 days)	600.00
			Workshop materials Supplies=500	500.00
			2 Consultation Meeting/Workshop	7,575.00
			<b>Total for Activity 1.1</b>	<b>13,575.00</b>
			Component 1: Developing policies and manuals	<b>Activity 1.2:</b> Technical assistance in developing Gender Policy
2 Consultation Meeting/Workshop	DSA = 1,125 (37.5 rate x 10 participants x 3 days)	1,125.00		
	Mileage=625(62.5 rate x 10 participants)	625.00		
	Food and Lodging= 937 (31.25 rate x 10 participants x 3 days)	937.50		
	Conference Hall = 600 (200 rate x 3 days)	600.00		

			Workshop materials Supplies=500	500.00
			2 Consultation Meeting/Workshop	7,575.00
			<b>Total for Activity 1.2</b>	<b>13,575.00</b>
Component 1: Developing policies and manuals	<b>Activity 1.3:</b> Technical assistance in developing operational manual for project appraisal and formulation	Hiring of Consultant (Individual - Local)	USD 200*15 days	3000
		2 Consultation Meeting/Workshop	DSA = 1,125 (37.5 rate x 10 participants x 3 days)	1,125.00
			Mileage=625(62.5 rate x 10 participants)	625.00
			Food and Lodging= 937 (31.25 rate x 10 participants x 3 days)	937.50
			Conference Hall = 600 (200 rate x 3 days)	600.00
			Workshop materials Supplies=500	500.00
			2 Consultation Meeting/Workshop	7,575.00
			<b>Total for Activity 1.3</b>	<b>10,575.00</b>
			Component 1: Developing policies and manuals	<b>Activity 1.4:</b> Update Financial Rules and Regulation, Procurement Rules and Regulation, Service Rules and Regulation, Anti- money laundering Policy, Countering
3 Consultation Meeting/Workshop	DSA = 1,125 (37.5 rate x 10 participants x 3 days)	1,125.00		
	Mileage=625(62.5 rate x 10 participants)	625.00		
	Food and Lodging= 937 (31.25 rate x 10 participants x 3 days)	937.50		



	Financing Terrorism, Grievance Redressal Mechanism		Conference Hall = 600 (200 rate x 3 days)	600.00
			Workshop materials Supplies=500	500.00
			2 Consultation Meeting/Workshop	11,362.50
			<b>Total for Activity 1.4</b>	<b>20,362.50</b>
Component 1: Developing policies and manuals	<b>Activity 1.5:</b> Consultation and Validation workshop on ESS, Gender Policy and updated manuals and policies	1 Consultation Meeting/Validation Workshop	DSA = 2812(37.5 rate x 15 participants x 5 days)	2,812.50
			Mileage=937(62.5 rate x 15 participants)	937.50
			Food and Lodging= 2,343.75 (31.25 rate x 15 participants x 5 days)	2,343.75
			Conference Hall = 1000 (200 rate x 5 days)	1,000.00
			Office Supplies=600	600.00
			Consultation Meeting/Validation Workshop	7,693.75
			<b>Total for Activity 1.5</b>	<b>7,693.75</b>
Component 1: Developing policies and manuals	<b>Activity 1.6:</b> Visit to one of the NIEs to learn lessons, challenges on accreditation and project proposal development under AF	Travel - International	DSA= 18000 (150 rate x 12 days x 8 participants)	14,400.00
			Airfare= 12,500 (1250 rate x 8 participants)	10,000
			Training fees and charges =8,000.	8,000
			<b>Total for Activity 1.7</b>	<b>32,400.00</b>
			DSA = 1875(37.5 rate x 10 participants x 5 days)	

Component 2: Stakeholder consultation meeting to respond to AF comments	<b>Activity 2.1:</b> Stakeholder consultation meeting to respond to AF	Consultation Meeting/Workshop	Mileage=625(62.5 rate x 10 participants)	
			Food and Lodging= 1562.5(31.25 rate x 10 participants x 5 days)	
			Conference Hall = 1000 (200 rate x 5days)	
			Office Supplies=6000	
			<b>Sub-total (2.1(a))</b>	<b>11,325.00 (A)</b>
			Consultant fees to respond to the AF accreditation panel review questions (200*50 days)	10,000.00
			DSA = 1,125 (37.5 rate x 10 participants x 3 days)	1,125.00
			Mileage=625(62.5 rate x 10 participants)	625.00
			Food and Lodging= 937 (31.25 rate x 10 participants x 3 days)	937.50
			Conference Hall = 600 (200 rate x 3 days)	600.00
			Workshop materials Supplies=500	500.00
			2 Meetings/workshop	13,787.50*2
			<b>Subtotal (2.1(b))</b>	<b>27,575.00 (B)</b>
Component 3: Audit	Audit			<b>1000.00</b>

<b>Total Project/Programme Cost</b>	<b>138,081.25</b>
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The management fee will be used to manage and execute the following activities

<b>Activity</b>	<b>Budget</b>
Coordination meeting (Inception, Mid-Term and Terminal)	3000
Supervision and Monitoring	1500
Reviewing and Reporting	2000
Evaluation	1100
Mobility and communication	3137
Office supply	1000
<b>Total</b>	<b>11,737.00</b>



MoF/D MDF/AF\_DA/2023-2024/1887

05/03/2024

**Letter of Endorsement by the Government**

The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [Secretariat@Adaptation-Fund.org](mailto:Secretariat@Adaptation-Fund.org)  
Fax: 202 522 3240/5

**Subject: Endorsement for Readiness Package Grant to support Bhutan's 2<sup>nd</sup> NIE Accreditation with AF.**

In my capacity as Designated Authority for the Adaptation Fund in Bhutan, I confirm that the above national grant proposal is in accordance with the government's national priorities in implementing adaptation activities and instituting governance mechanisms to reduce adverse impacts of, and risks, posed by climate change in Bhutan.

Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Bhutan Trust Fund for Environment Conservation and executed by the Royal Society for Protection of Nature.

Thanking you,

Sincerely yours,



  
(Mr. Tshering Dorji)  
Director  
Designated Authority  
**Department of Macro - Fiscal  
and Development Finance**

Copy to:

1. Managing Director, BTFEC for kind submission of the proposal.
2. Executive Director, RSPN for the kind information.



ADAPTATION FUND

THE OPEN LEARNING CAMPUS

# CERTIFICATE

Awarded to

*Sonam Yarphe*

*for having successfully completed the course*

*"Direct Access: Unlocking Adaptation Funding (Self-Paced)"*

*28 March 2024*



**WORLD BANK GROUP**

00055198-0000376614

MIKKO OLLIKAINEN  
MANAGER OF ADAPTATION FUND







ADAPTATION FUND

THE OPEN LEARNING CAMPUS

# CERTIFICATE

Awarded to

*Wangchuk Namgay*

*for having successfully completed the course*

*"Direct Access: Unlocking Adaptation Funding (Self-Paced)"*

*29 March 2024*



**WORLD BANK GROUP**

00055198-0000383207

MIKKO OLLIKAINEN  
MANAGER OF ADAPTATION FUND









ADAPTATION FUND

THE OPEN LEARNING CAMPUS

# CERTIFICATE

Awarded to

*Tshering Tobgay*

*for having successfully completed the course*

*"Direct Access: Unlocking Adaptation Funding (Self-Paced)"*

*23 May 2023*



**WORLD BANK GROUP**

00055198-0000349072

MIKKO OLLIKAINEN  
MANAGER OF ADAPTATION FUND

