



HIS MAJESTY THE KING OF BHUTAN
TASHICHHODZONG

ROYAL CHARTER

RECOGNISING the need to protect the natural environment, conserve the rich biodiversity and prevent all forms of ecological degradations for the benefit of present and future generations of Bhutanese, as enshrined under Article 5 of the Constitution;

REALISING that effective long-term management of Bhutan's protected area network, which covers more than half of the country's area, is the most effective way of conserving Bhutan's biodiversity and safeguarding the natural environment on which future generations depend, as well as mitigating causes and effects of global climate change;

CONSCIOUS that increasing the current level of funding for Bhutan's protected area network could more effectively conserve Bhutan's pristine environment, safeguard Bhutan's biodiversity, and help to mitigate causes and effects of global climate change;

ACKNOWLEDGING the financial support that donors have agreed to provide in order to fully implement the Bhutan for Life Program;

NOW THEREFORE, I, JIGME KHESAR NAMGYEL WANGCHUCK, Druk Gyalpo, by virtue of Royal Prerogative under the Constitution of the Kingdom of Bhutan, hereby, grant this Royal Charter.

**ARTICLE 1
ESTABLISHMENT**

There shall be established the Bhutan for Life Fund, which shall have the purpose, forms and powers set forth in this Royal Charter.

**ARTICLE 2
PURPOSE**

1. The purpose of the Bhutan for Life Fund is to support the achievement of a robust network of protected areas that contributes to biodiversity conservation, human well-being, and increases Bhutan's resilience to the effects of climate change by providing long-term financing.
2. A robust network of protected areas is envisaged to be:



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- a. Sanctuary for the diversity and persistence of life;
- b. A provider of sustainable and resilient ecosystem goods and services;
- c. Reservoir for carbon sequestration and adaptation to climate change;
- d. Source of economic opportunity and community well-being;
- e. An exemplar of effective management and efficient services.

**ARTICLE 3
THE FUND**

1. There shall be a Transition Fund contributed by donors for the purposes of the Bhutan for Life Program, which shall be managed by the Bhutan for Life Fund for the duration of its Program.
2. The Bhutan Trust Fund for Environmental Conservation shall make an annual contribution of not less than Nu. 32.5 Million to the Royal Government of Bhutan for the purposes of the Bhutan for Life Program, which shall be until 2032.

**ARTICLE 4
BOARD OF TRUSTEES**

1. The Bhutan for Life Fund shall have a Board of Trustees, hereinafter referred to as “the Board”, which shall serve as its highest governing authority.
2. The Board shall consist of:
 - 2.1. Three members representing the Royal Government of Bhutan:
 - a. Secretary of the Ministry of Agriculture and Forests;
 - b. Head of the Directorate Services, Ministry of Finance;
 - c. Head of the Development Cooperation Division, Gross National Happiness Commission;
 - 2.2. One eminent member appointed by His Majesty the King.
 - 2.3. Five members representing the non-government Bhutan for Life donors:
 - a. One member representing the Green Climate Fund Accredited Entity;



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- b. Two members representing private Bhutan for Life donors, appointed by World Wildlife Fund, Inc.;
 - c. One member representing World Wildlife Fund in Bhutan;
 - d. One member from civil society or private sector appointed by unanimous vote of the four other members representing the non-government Bhutan for Life donors.
3. The Board shall have a Chairperson elected from among its members.
4. The Board shall meet at least twice a year.
5. The presence of not less than two-thirds of the full membership shall be required to constitute a quorum for the meeting of the Board.
6. All decisions by the Board shall be made by simple majority vote of the members present and voting, except the following decisions which will require concurrence of all the Board members.
 - a. Making changes to the Bhutan for Life Operating Manual, including its Conservation Plan and Financial Model.
 - b. Approval of disbursement from the Transition Fund.
 - c. Disposition of the Bhutan for Life Fund's assets upon dissolution as provided under Article 8.

ARTICLE 5
POWERS AND FUNCTIONS

The Board shall act in accordance with the fiduciary duties of care, loyalty, and obedience, and shall exercise the following powers:

- a. Manage the Bhutan for Life Fund in accordance with the Bhutan For Life Conservation Plan and the Bhutan for Life Operating Manual;
- b. Approve all policies, guidelines and manuals for the management of the Bhutan for Life Fund;
- c. Review the technical and financial performance of the Bhutan for Life Program as part of its consideration of requests for funding;
- d. Approve funding requests that meet disbursement conditions of funding



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- agreements between the Bhutan for Life Fund and its donors;
- e. Ensure prudent management and investment of the Transition Fund;
 - f. Approve the Bhutan for Life Fund's annual work plan and budget;
 - g. Adopt, comply with, periodically review and amend if necessary, the Bhutan for Life Operating Manual;
 - h. Appoint an Executive Director of Bhutan for Life Fund's Secretariat;
 - i. Approve the budget, staffing and other policies and guidelines of the Secretariat;
 - j. Co-operate and enter into agreements with national and foreign institutions, investment managers and donors;
 - k. Select the Auditor(s) and review its recommendations, and
 - l. Exercise any other powers as are prudent or necessary, purely to achieve the objectives of the Bhutan for Life Fund in line with this Charter.

ARTICLE 6 LIMITATIONS ON POWERS

1. No part of the Bhutan for Life Fund's assets shall be used to benefit, or be distributed to, members of its Board, officers, or other private persons, except to pay reasonable compensation for services rendered, and make payments and distributions in furtherance of the purposes set forth in this Royal Charter.
2. The Bhutan for Life Fund shall not participate in or intervene in any political campaign on behalf of any candidate for public office, or engage in any form of political propaganda.

ARTICLE 7 TAX EXEMPTIONS

1. The Bhutan for Life Fund shall be exempted from taxes, duties, and levies, including without limitation, taxes based on income received from investments and contributions, and import and excise duties on equipment and materials purchased or received for carrying out its activities.
2. The Board shall take all steps that are necessary for it to qualify for tax exemptions available to it in those jurisdictions where its investments are managed or invested.



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ARTICLE 8
DISSOLUTION

In the event of the dissolution or termination of the Bhutan for Life Fund, the Board shall, after paying or making provision for the payment of all of its liabilities, dispose of all of its remaining assets exclusively for the purposes of the Bhutan for Life Fund in such manner, or to such organization or organizations, organized and operated exclusively for charitable, educational or scientific purposes as the Board shall determine.

ARTICLE 9
AMENDMENTS

This Charter may be amended only by Royal Decree.

Granted on the Fifteenth Day of the Sixth Month of the Earth Male Dog Year corresponding to the Twenty-Seventh Day of July, Two Thousand and Eighteen by warrant under My Hand and Seal.

Jigme Kharwangchuck.

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