

# Kingdom of Bhutan



# R-Package



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## State of Bhutan's Forests

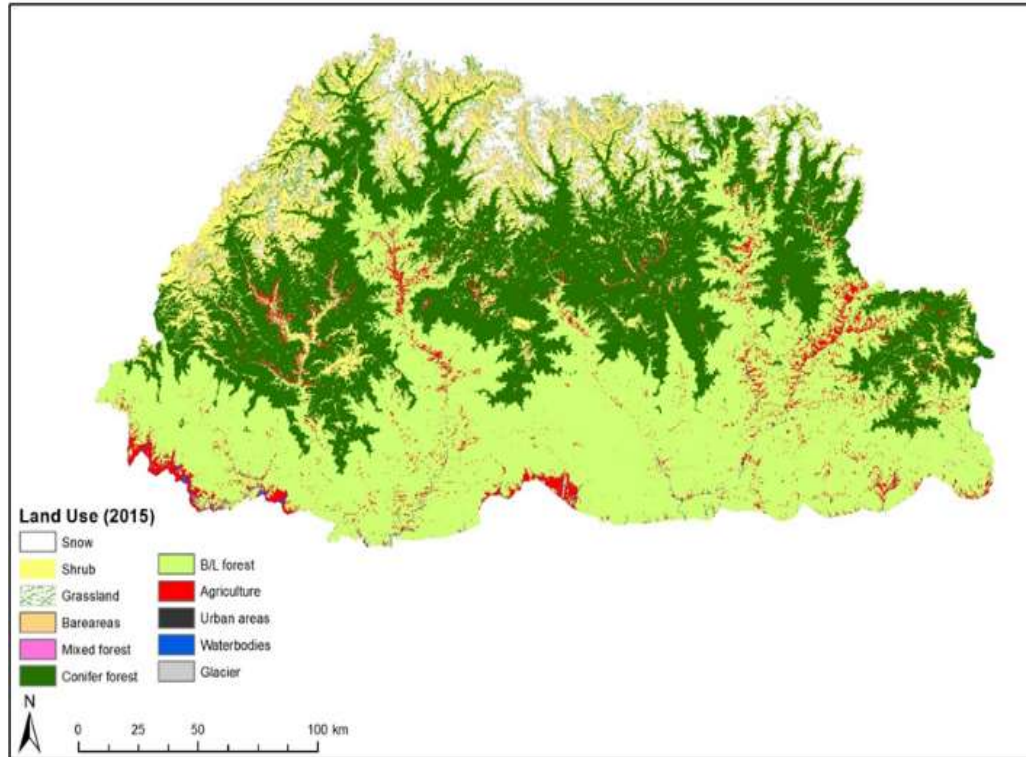
- 71% forest cover, annual deforestation rate: 0.2%
- High forest cover, low deforestation (HFLD) country
- Rich in biodiversity (Indo-Burma biodiversity hotspot)
- RGoB committed to maintaining Bhutan's forest cover: at least 60%
  
- Forestry Sector GDP Contribution: 2013: 2.9% / 2017: 2.4%
- Employment: 0.5% (2012)
- Ecosystem services: USD 15.5 billion annually
  
- About 15% of Bhutan's forests are managed through FMUs, CFs and LFM plans
- 7.3% of Bhutan's total forest area is currently used for commercial forest production (difficult terrain; lack of advanced forest harvesting and processing technologies)
- 43.4% protected areas (2020)



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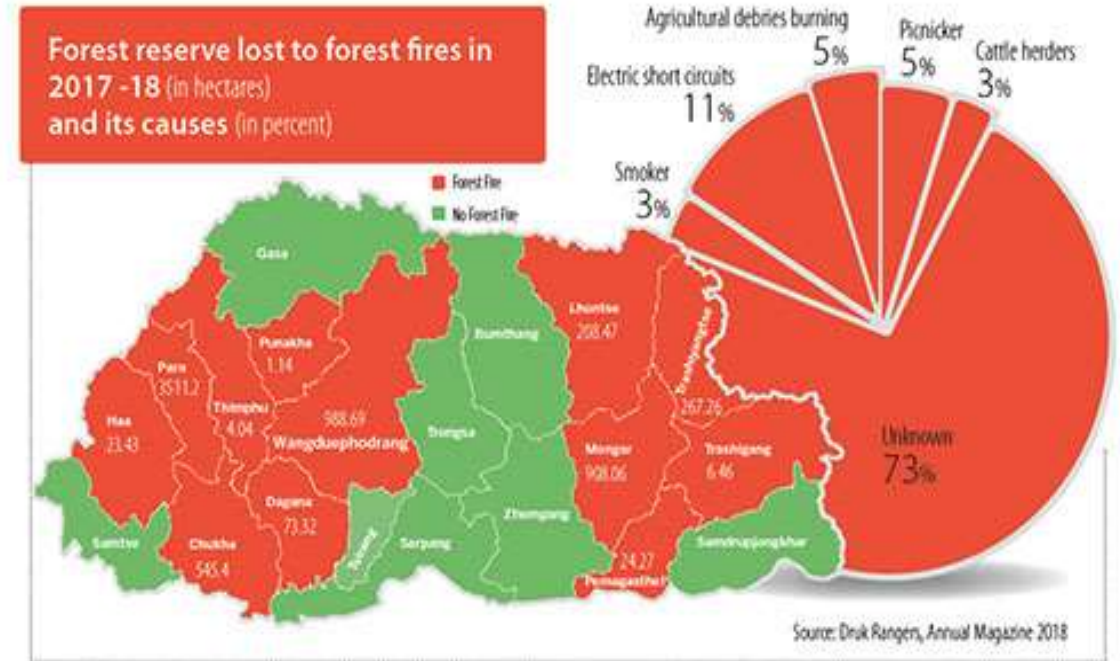
# National Forest Challenges

- Drivers of deforestation



- Annual deforestation rate: 0.2%
- Main drivers: allotment of SRF land for various purposes and construction of hydropower projects (including transmission lines)

- Drivers of forest degradation



- Main drivers: timber and fuelwood harvesting; forest fires
- Livestock is an understudied driver

# National Forest Challenges

- **Vulnerability to Climate Change and Natural Disasters**

Bhutan’s NDC identifies “[s]ustainable forest management and conservation of biodiversity to ensure sustained environmental services” as one of the priority actions related to climate change adaptation and resilience.

- Forests and trees will be increasingly affected by new diseases, pests, and parasites and by shifting phenological and seasonal changes induced by climatic changes.
- Warming trend in annual temperature and high levels of variability and uncertainty in annual precipitation leading to increased forest fire incidents, decrease in fodder and water availability, wildlife and plant diversity.
- Rural households with natural-resources based income sources will be increasingly vulnerable to declining harvests and availability of water.



# REDD+ Readiness in Bhutan



Sources of Funds	Amount in USD (million)	Years
UNREDD	0.44	2013-2015
FCPF World Bank	8.6	2015 - 2022
ICIMOD GIZ	0.525	2015-2018
GCF	0.595	2021-2023
RGoB	0.372	2014-2022



# REDD+ Readiness Project

Objective: to build national capacity of Bhutan to engage in REDD+ efforts at the national as well as international levels, through strengthened policies, increased knowledge on REDD+, and enhanced data on forests and forest management

## Project Component

### Component 1: Readiness Organization and Consultation - (USD1.92millions)

- 1.1. National Readiness Management Arrangements
- 1.2. Information Sharing and Early Dialogue with Key Stakeholder Groups
- 1.3. Capacity building and training for REDD+ implementation

### Component 2: Preparation of REDD+ Strategy - (USD3.66millions)

- 2.1. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance
- 2.2. REDD-plus Strategy Options
- 2.3. REDD-plus Implementation Framework
- 2.4. Social and Environmental Impacts

### Component 3: National Forest Reference Emission Level and/or a Forest Reference Level (USD0.57millions)

- 3.1. Develop a national forest Reference Emission Level and/or a forest Reference Level

### Component 4: Design Systems for National Forest Monitoring and Information on Safeguards (USD2.36millions)

- 4.1. National Forest Monitoring System
- 4.2. Designing an information system for multiple benefits, other impacts, governance and safeguards



# Challenges and Opportunities for Bhutan's Forests and Forest Sector



## **Financial :**

Investment and Implementation Proposal (IIP) for the implementation of the National REDD+ Strategy & Action Plan: need for resources and TA

## **Technical :**

- Supporting SFM in FMUs and community forests
- Investing in modern forest technology and infrastructure in FMUs and CFs
- Exploring a market-based approach for timber and NWFP sales
- Establishing small and medium enterprises (SMEs) for timber and NWFPs and value addition

### **Expected results**

- **Forest quality and productivity is improved while forest cover is sustained.**
- **Increased number of forest-based SMEs.**
- **People, particularly in rural areas, have secure employment and benefit from forest-dependent jobs.**
- **Institutional and human capacity for SFM is increased.**
- **Improved technologies and equipment for timber harvesting and processing.**
- **Reduction of wood-based imports.**
- **Improving value addition of forest products**
- **Improved forest ecosystem services**



## Opportunities

- **Expected results from implementation of short- and medium term opportunities**
  - **Forest quality and productivity is improved while forest cover is sustained.**
  - **Increased number of forest-based SMEs.**
  - **People, particularly in rural areas, have secure employment and benefit from forest-dependent jobs.**
  - **Institutional and human capacity for SFM is increased.**
  - **Improved technologies and equipment for timber harvesting and processing.**
  - **Reduction of wood-based imports.**
  - **Improving value addition of forest products**
  - **Improved forest ecosystem services (incl. carbon sequestration, improved resilience and conservation of biodiversity).**



# Thank you!

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