



# Bhutan Climate Fund



The Bhutan Climate Fund (BCF) will aggregate and monetize the Royal Government of Bhutan's net negative GHG emissions at a fair price reflecting the opportunity cost of remaining net negative.

The Bhutan Climate Fund will:

- 1 Pool capital from donor contributions.
- 2 Help address the high transaction costs of ERCs through aggregation.
- 3 Serve as a vehicle for aggregating corresponding adjustment fees to cover the opportunity cost for remaining net negative.
- 4 Support the Royal Government of Bhutan in meeting its overall development goals.

## Credits with high-integrity environmental benefits



Bhutan is the world's first **carbon-negative** country and is committed to remaining carbon neutral, keeping its total emissions below the carbon removal capacity of its forests. Bhutan forest covers ~70% of its land and is constitutionally mandated to maintain a minimum of 60% forest cover.



In addition to its electricity consumption being entirely powered by **renewable resources**, Bhutan contributes to regional decarbonization by exporting run-of-river hydroelectricity.



Bhutan has decades of **experience in carbon markets**, building technical readiness through experience with CDM and REDD+ and World Bank programs like FCPF, PMI, and Climate Warehouse. Currently working on upgrading to digital MRV and deploying the National Carbon Registry to help monitor compliance with the Paris Agreement.



Strong **political commitment** demonstrates Bhutan's pledge to carbon markets with enhanced trust and transparency, with policies like the Carbon Market Rules and approval of the BCF by Bhutan's Cabinet in 2023.





To ensure transparency and accountability of the authorization and transfer process of Bhutan's credits, the country is developing institutional-grade end-to-end digital infrastructure and ecosystem that will allow for the identification of credible and legitimate credits.

To ensure that communities benefit from carbon revenues the BCF will link with the National Digital Identity (NDI) initiative.

## Why invest in Bhutan Climate Fund?



**Leveraging championship of a carbon-negative Kingdom.** An opportunity to support low-carbon development for one of the handful of carbon-negative countries in the world



**Strong political commitment.** Ambitious NDC (which commits to remain carbon neutral), constitutional mandate to maintain forest cover of at least 60%, Long-Term Low Emissions Development Strategies, adoption of Carbon Market Rules, and ongoing market development strategy



**Access to high quality forest and hydropower credits.** Ongoing efforts to develop a secure and robust digital market infrastructure to ensure transparency, accuracy, and inclusivity in carbon markets



**Bigger impact.** BCF will aggregate capital and manage the use of proceeds from carbon revenues in line with the government's vision to benefit local communities and the citizenry at large