Staying Connected to Bhutan
“I hereby return to our People the powers that had been vested in our kings by our forefathers one hundred years ago.”

These were the words His Majesty the King Jigme Khesar Namgyel Wangchuck stated in the first session of Parliament, May 8, 2008, when Bhutan transitioned to a parliamentary democracy initiated by the Fourth King Jigme Singye Wangchuck. The year 2008 marks 100 years since Bhutan became a unified and modern state with the institution of the Wangchuck dynasty at its helm. The Bhutanese monarchy was born in 1907 when, tired of internal strife, representatives of the Bhutanese people elected Gongsa Ugyen Wangchuck to take over as the first hereditary King of Bhutan.
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Her Majesty the Queen Mother Ashi Tshering Pem Wangchuck visits the Deaf Unit at the Drugyel Lower Secondary School in Paro. Drugyel is one of the Bhutan Foundation’s pilot schools in Schools of Model Education for all Abilities Program, which addresses the educational needs of all students, especially those with mild, moderate, and extreme disabilities.
2008: A Historic Year for Bhutan

Bhutan has experienced an exciting year of accomplishment, celebration, and change. The people of Bhutan participated in what was Bhutan's first national democratic election and, on March 26, 2008, chose our first democratically elected government, thereby becoming the world’s youngest democracy. Bhutan also welcomed a new King, the Fifth Druk Gyalpo, Jigme Khesar Namgyel Wangchuck, who will continue to serve his people as we work to achieve our aspiration of Gross National Happiness as inspired by the Fourth King, His Majesty Jigme Singye Wangchuck. Celebrations crossed international boundaries as Bhutan, together with the people of the United States, attended events at the Asia Society and the opening of the Dragon’s Gift: Sacred Art of Bhutan at the Rubin Museum in New York and celebrated our culture, traditions, and unique aspects of Bhutanese life at the Annual Smithsonian Folklife Festival in Washington, DC.

As our small Himalayan nation continues to grow in popularity, it is equally important to use this increased visibility to bring into light the challenges the country faces. Despite the rapid rate at which Bhutan has been able to develop in the past few decades, there are still many areas that need further attention. It is therefore essential to create a much deeper awareness of Bhutan and the Bhutanese people. I am happy to note that the Bhutan Foundation has continued successfully to create such greater awareness through their essential fundraising work in the United States and through the important programs launched within Bhutan.

Through these times of change and challenge, the Royal Government and civil society in Bhutan continue to contribute significantly through their service. In particular, the Bhutan Foundation will continue to provide its services to meet the country’s evolving needs and to support Bhutan’s drive to progressive growth through increased opportunities for each citizen to pursue the life they aspire to live.

Success of the Foundation’s pursuits greatly depends on the dedication of our donors and the efforts of our staff, whom I would expressly like to thank on behalf of the entire board of the Bhutan Foundation.

Sincerely,

Her Majesty the Queen Mother of Bhutan
Ashi Tshering Pem Wangchuck

Co-Chair of the Board
Connecting to Bhutan: American children reach out to paint the eight Bhutanese lucky symbols, after learning about Bhutanese art and culture at the 42nd Smithsonian Folklife Festival. Over one million people visited Bhutan’s exhibit at the Festival that included a complete Bhutanese Lhakhang (Buddhist Temple) on the Mall overlooking the Capitol and Washington Monument.
The year 2008 was by all measures a historic year of accomplishment for Bhutan, from the national elections, to the first session of a democratically elected parliament, to the signing of the constitution, to the coronation of the country’s Fifth King and first constitutional monarch. It has also been a year of accomplishment for the Bhutan Foundation, with a dramatic increase in our revenues and major expansion of our programs.

As you will see in our financial report, our revenues increased from $517,000 in 2007 to $2.1 million in 2008. We also doubled the number of our supporters and increased our grants program to over $1 million. This has permitted us to advance our mission in our core program areas: Conservation of the Environment, Good Governance, Equitable Development, and Preservation of Culture—the Four Pillars of Bhutan’s development philosophy of Gross National Happiness (GNH). Probably our most important accomplishment has been our ongoing effort to build capacity within Bhutan’s emerging civil society, from developing standards of best practice to providing professional development opportunities for our Bhutanese colleagues.

Anyone who visits Bhutan quickly realizes that the Bhutanese people have a unique perception of the world and their place in it. They are independent and self-reliant, preferring to determine their future on their own merit. At the same time, they are compassionate people with strong family ties and a long tradition of hospitality to travelers to their land. These qualities have served Bhutan well over the centuries and have allowed it to preserve its distinct identity in an increasingly homogenous world. Indeed, no other country has been so well served by generations of enlightened leadership.

In the coming year, the Bhutan Foundation looks forward to supporting Bhutan, the world’s youngest democracy, as it combines opportunity with cherished traditions and values. These are a few examples of the work you can look for as we go forward:

» We will continue our support of Bhutan’s Center for Media and Democracy as it works to increase media literacy and the understanding of each Bhutanese citizen’s role in ensuring a successful transition to a democratic form of government.

» We will give particular priority to health and education, including supporting Bhutan’s first fully equipped and trained emergency medical service.

» We will support Bhutan’s efforts to address the issue of climate change and the country’s dependence on its environmentally sensitive natural resources to ensure its future economic growth.

You can be assured that we will continue to monitor and evaluate our progress to ensure that our work provides effective support where it is most needed and improves the lives of the Bhutanese people while conserving their rich natural and cultural heritage. It is our mission.

Thank you for your generosity and support, which have been instrumental in the success of our work. We hope you will continue to stay connected to Bhutan through the work of the Bhutan Foundation and will make a return visit or a first visit to the Land of the Thunder Dragon.

Staying Connected to Bhutan

Frank G. Wisner  Co-Chair of the Board
Dr. Bruce W. Bunting  President
“We must always remember......these changing times find immense new challenges and opportunities, whatever work we do, whatever goals we have – and no matter how these may change in this changing world – ultimately without peace, security and happiness we have nothing. That is the essence of the philosophy of Gross National Happiness. Our most important goal is the peace and happiness of our people and the security and sovereignty of the nation.”

His Majesty King Jigme Khesar Namgyal Wangchuck
Those of us connected to Bhutan know that the principle of Gross National Happiness is supported by four pillars: Conservation of the Environment, Good Governance, Equitable Development, and Preservation of Culture. At the Bhutan Foundation, we are mindful of those important foundations as we work to improve the lives of the Bhutanese people while conserving their rich natural and cultural heritage. In addition to the four pillars, the Bhutan Foundation seeks to increase awareness, knowledge, and understanding of Bhutan in the United States and around the world. Here are some of the ways our support has made a difference:

**Conservation of the Environment**
- Establishing the Wangchuck Centennial Park
- Supporting the Ugyen Wangchuck Institute of Conservation and Environment
- Improving animal welfare
- Helping farmers and wildlife coexist

**Equitable Development**
- Starting an Emergency Medical Program
- Teaching children with special needs
- Bringing e-education to the classroom
- Supporting youth activities
- Encouraging entrepreneurship

**Good Governance**
- Building the foundations of a democracy: Bhutan Center for Media and Democracy
- Helping emerging nonprofit organizations succeed
- Offering capacity-building scholarships

**Preservation of Culture**
- Expanding the Sewala Shedra, Tamshing Monastery, and Dechen Phodrang Monastic School
- Helping women through the Bhutan Nuns’ Foundation
- Rejuvenating local communities and their traditions
- Supporting the Volunteer Artists’ Studio, Thimphu
- Supporting traditional musicians

**Events To Increase Knowledge of Bhutan**
- Sponsoring Bhutan at the Smithsonian Folklife Festival in Washington, DC
- Sponsoring Dragons, Kings, and Politicians: Bhutan, the world’s youngest democracy, at the Asia Society
- Helping rural performers participate at the Coronation Celebrations
“The natural environment of Bhutan is an integral part of our life. In fact it is our good environment that has sustained the Bhutanese people for a long time. It is not only our source of sustenance but also our source of happiness.”

Lyonpo Yeshey Zimba
“We are adding another new jewel to our existing network of protected areas.”

The Prime Minister Lyonchohen Jigme Y. Thinley speaks at the inauguration of the Wangchuck Centennial Park in December, the largest national park in Bhutan covering 4,917 sq km. Establishment of the new national park is an initiative of the Bhutan Foundation being implemented in partnership with WWF-Bhutan and the Ministry of Agriculture with additional support from the Bhutan Trust Fund for Environmental Conservation.
Establishing the Wangchuck Centennial Park

Commemorating the centenary celebrations of Bhutan’s monarchy, the Royal Government of Bhutan declared a new 4,917 sq km national park in northern Bhutan between the Jigme Dorji National Park and the Bomdeling Wildlife Sanctuary. In order to carry out the first phase of establishing the new Wangchuck Centennial Park, the Bhutan Foundation provided a grant to the WWF-Bhutan to conduct the initial surveys, boundary demarcation, and development of a management plan for the park.

This area is an important natural conservatory of glaciers, alpine meadows and scrublands, conifer forests, and major rivers, and is also home to species such as takin, snow leopard, blue sheep, Himalayan black bear, marmots, red panda, tiger, and several species of flower and medicinal herbs. This project is an attempt to assist the Royal Government of Bhutan’s efforts in maintaining over 60% of the total land area of the country under forest cover, and protecting its flora and fauna. With the addition of the Wangchuck Centennial Park, Bhutan’s 10th reserve extends protection to almost 50% of Bhutan’s land area. With support from the Bhutan Foundation, WWF–Bhutan and the Royal Government will take charge of developing and implementing a management plan for the park. Plans are set to establish park and field offices and capacity building for the park staff. Integrated conservation and community projects have also been developed to support local communities in the area.

Dr. Ganesan Balachander, the South Asia Representative of the Ford Foundation, and Ms. Ugen Choden, Program Director of the Bhutan Foundation, with park rangers, visit the Royal Manas National Park. Manas is Bhutan’s first national park and considered one of the most important reserves for tigers, Asiatic elephants, golden langur, and other endangered wildlife in South Asia.
The Bhutan Foundation is helping develop the newly opened Ugyen Wangchuck Institute of Conservation and Environment (UWICE). We aided in developing the Institutes’ library and research facilities, including reference books, broadband internet, online access to research publications, journals, and other reference materials for scientists to use in advancing forestry and environmental education and research. The UWICE is also establishing partnerships with several other universities, including the University of Montana and Yale University.

The Ugyen Wangchuck Institute of Conservation and Environment in Bumthang will be the country’s leading center for research and policy focusing on such critical issues as climate change, which could have a profound impact on Bhutan’s hydropower-based economy. The Bhutan Foundation is supporting the Institutes research library including broadband internet and research programs.
IMPROVING ANIMAL WELFARE

The Bhutan Foundation in partnership with Humane Society International has started a pilot program for providing good care for the many stray dogs in Thimphu (and eventually other urban areas) while achieving zero population growth and becoming a rabies-free country through vaccination and sterilization of the dogs.

We joined the Royal Government of Bhutan, Thimphu City Corporation, the Royal Society for the Prevention of Cruelty to Animals, the Jhangsa Animal Trust, and the Tourism Council of Bhutan in this effort to improve the welfare of the dogs.
HELPING FARMERS AND WILDLIFE COEXIST

Subsistence agriculture is the major source of livelihood for rural farmers in Bhutan. But because of their proximity to forest areas, their crops and livestock are often damaged by wild animals. The Bhutan Foundation and Royal Society for Protection of Nature have initiated a project to understand wildlife behavior in two affected districts in eastern Bhutan and to implement solutions to address these wildlife management issues. Considerable research already has been done in Bhutan and elsewhere to develop approaches to dealing with these management issues. The next step is to pilot various recommended approaches, such as developing land use systems that minimize conflict with wild animals, improving pasture management, using appropriate fencing, and assessing behaviors and carrying capacity.

The Bhutan Foundation is working with the Royal Society for the Protection of Nature, the Ministry of Agriculture’s Nature Conservation Division and Department of Forestry, and WWF-Bhutan to find solutions to resolving the issue of wildlife impact on local farmers and herders. Such approaches as improved pasture management and stall feeding of livestock, alternative crops, value-added agricultural products, improved storage, and other income-generating activities are being considered.
“Globalization which brings with it the paradox of conflict needs to be guided by leaders committed to sharing and leading their people towards happiness rather than promoting and leading battles for greater advantage in the global market place.”

Lyonchhen Jigme Y. Thinley
“It is through such profound efforts that Bhutan’s achievements have surpassed the limitations of our size and natural endowments.”

His Majesty King Jigme Khesar Namgyel Wangchuck receives the Raven Crown from the Fourth King Jigme Singye Wangchuck at a sacred ceremony on November 6, 2008.
In theory, the process of becoming the world’s youngest democracy is complete. But the actual process of understanding and adopting the culture of democracy continues to be a task for the people of Bhutan.

To help with this transition, the Bhutan Foundation supported the establishment of the Bhutan Center for Media and Democracy, a vibrant new nonprofit center dedicated to laying the intellectual and academic foundations for the newly democratic Bhutan. The Center is the first organization in Bhutan to initiate research, seminars, papers, and books and to create a forum for active discourse to educate all sections of Bhutanese society in the culture of democracy. In its first year, the Center already held its first writers’ workshop and conducted a survey about the impact of media in Bhutan.

Bhutan’s first-ever constitution was signed by His Majesty the King, on July 18, 2008, along with democratically elected representatives of the 47 constituencies in the National Assembly and the members of the National Council. His Majesty traveled to all the districts in Bhutan to involve the people in the drafting of the constitution.
First Writers’ Workshop

Our support helped Bhutanese writers hone their craft so that they can share their own stories during this dynamic time in their country’s history. In August 2008, the Bhutan Center for Media and Democracy held its first Creative Nonfiction Writing Workshop, enabling 15 writers to look beyond perceived boundaries. Professor James Bettinger of Stanford University headed the three-day workshop. The most discussed topic during the course of the workshop was media and its access to information. The aspiring writers expressed their reasons for taking part in the workshop as a way to improve their writing skills and promote positive social change through the art of writing.

Media Impact Survey

Findings from a nationwide study on the impact of media on the citizens of Bhutan revealed that interest in media throughout Bhutan has grown substantially in the last decade with the introduction of television and the internet. The Royal Government of Bhutan chose the Bhutan Center for Media and Democracy to conduct the media study, done in part with the Paro College of Education and Sherubtse College. The Center held media seminars and trained 25 student researchers along with four lecturers from the two colleges to conduct the study.
The Bhutan Foundation has been developing Standards of Best Practice to guide the up-and-coming “civil society organizations” (CSOs) or nongovernmental and nonprofit organizations of Bhutan. By adopting Standards of Best Practice early on, we hope to create a level of accountability and transparency for current and future CSOs. The Standards outline key areas of a nonprofit organization that require specific policies and procedures and cover basic practices that will support organizations in effectively delivering their services.

During the Bhutan Foundation’s fall partners’ meeting on November 4, partner CSOs were presented with the draft Standards of Best Practice, which will complement the Civil Society Act issued by the government of Bhutan. Adopting such standards ensures that the CSOs of Bhutan are self-governing and that existing and future organizations will continue to maintain the success and commitment of a responsible and effective civil society.
The Bhutan Foundation has in place and continues to develop a number of scholarship programs in partnership with colleges and universities in several countries, including the following:

» A two-year diploma program at the University of the Philippines, School of Forestry and Environmental Studies, in partnership with the Greater Himalayas Foundation

» A medical doctor degree program at the College of Medicine, Davao Medical School Foundation

» A master’s degree program at the Yale School of Forestry and Environmental Studies

» A master’s degree program at the University of Chicago’s Harris School of Public Policy

» Two undergraduate degree programs in education at the University of Nebraska’s College of Education at Kearney

» An undergraduate degree program in education at Knox College

» An associate’s degree program at Bard College, Simon’s Rock

» A master’s degree program at the University of Oregon

» A master’s degree program at the Future Generations Graduate School

» A graduate-level field research study at the University of Montana

» A diploma program in communication and journalism at the Asian School of Media Studies in Delhi, India

» A preuniversity program at the Institute for the Visually Impaired in Pune, India

We have worked continuously to build relationships with colleges and academic institutions and now have a rather expansive scholarship program. Within the past year, we were pleased to be able to grant seven scholarships and two research grants to Bhutanese students in different academic programs at universities in the United States, the Philippines, and India.

The Bhutan Foundation supports several scholarships with a particular emphasis on building capacity in our partner organizations. Examples include Ms. Tshering Lham Tshok, a program officer with the Royal Society for Protection of Nature, who received a scholarship to complete her master’s degree in international development at Future Generations in the United States and Ms. Tashi Choden, a program officer with the Youth Development Fund, who is completing her master’s program at the University of Oregon.

Other scholarships are provided through our partners, such as a scholarship with the Youth Development Fund for Lhakpa, a visually impaired student studying to be a physiotherapist.
“For a small nation with a small population, it is vital that we have a shared national objective. We simply cannot afford to work in different directions. We must always have a common goal – the goal of achieving GNH for our people.”

His Majesty King Jigme Khesar Namgyal Wangchuck
EQUITABLE DEVELOPMENT

Dawa Tshering, Field Officer, Tarayana Foundation, collects socioeconomic information in Trongsa to evaluate the project on enhancing rural income. The Bhutan Foundation supported skills development training in most remote communities.
Imagine a hospital without the means to provide emergency care while an injured patient is being transported to its doors: this was the case in Bhutan, and such need for improved emergency medical services is not unusual. According to the World Health Organization, trauma represents 11% of the “Global Burden of Disease” in low- and middle-income countries. In Bhutan and similar countries, its impact will grow unless steps are taken to improve accident prevention and the delivery of emergency medical care for trauma victims.

Resulting from concern about the growing burden of trauma cases, the Bhutan Foundation and the Ministry of Health developed an Emergency Medical Program at the Jigme Dorji Wangchuck National Referral Hospital. And, through a generous gift, we were able to provide a fully equipped emergency medical service (EMS) ambulance and training for a core team of emergency medical professionals.

The Emergency Medical Program has the following aims:

- Reduce the mortality and disability rate from trauma and injury.
- Create jobs and develop skills through staffing and training of emergency medical providers.
- Improve the physical capability of the hospitals and clinics by providing equipment and necessary supplies.

Furthermore, plans are also underway at the Bhutan Foundation and Ministry of Health to measure fully the impact of these interventions through a national trauma registry and monitoring system.
About 4% of Bhutanese children have special needs, but only limited educational opportunities have been available to them. In addition, until now, no identification of or assistance to students with learning disabilities has been available. Recognizing this need to enhance educational and training opportunities for children with special needs, the Bhutan Foundation, the Bhutan Youth Development Fund, and the Department of Special Education under the Ministry of Education have launched a five-year initiative: Schools of Model Education for all Abilities Program. The program focuses on identifying and supporting children with mild disabilities so they can reach their full potential as equal citizens of the country.

Early last year, the Secretary of Education, the Director of the Youth Development Fund, and a teacher from the Department of Special Education traveled to New York to visit educational institutions for children with special needs to learn and get technical assistance in developing a program in Bhutan. The program has now identified five pilot schools in Bhutan for participation. These schools will receive support in developing their special education programs, including planning and teaching strategies, facility improvements, and professional development for teachers. The professional development will include advanced training at New Castle University in Australia and undergraduate special education programs at colleges in the United States, including Knox College and the University of Nebraska.

Students at the Changangkha Lower Secondary School in Thimphu proudly show off their artwork. The school is among the Bhutan Foundation’s five pilot schools for Schools of Model Education for all Abilities Program, where teachers are being trained on learning disabilities and more effective approaches to teaching.
BRINGING e-EDUCATION TO THE CLASSROOM

Since it began in the early 1960s with just 400 students in 11 schools, Bhutan’s educational system has grown tremendously: it now teaches more than 150,000 students in 500 schools. But the system suffers from inadequate resources, remote location of rural schools, and shortage of teachers.

To address this important need, the Bhutan Foundation, Ministry of Education, and Ministry of Information and Communication initiated an e-education program that brings multimedia education and digital curricula to rural areas of Bhutan. Collaborating with the International Institute of Information Technology (IIIT) in Hyderabad, India, the e-Education Project will revolutionize education for children in rural communities and help in the short term to address the issue of lack of quality teachers in the country. Digitized math and English curricula will be introduced to these remote schools and community e-centers with support from the Bhutan Foundation and IIIT. The program includes specialized training for local teachers and information technology personnel, customizes content, provides equipment and infrastructure, and promotes awareness of the program to encourage broader community use of these e-education resources.

The pilot project sites are still being identified but will include the Phuyum Higher Secondary School and the Menbi Community Information Center in Lhuentse and the new school in the Phobjikha Valley, both remote, less developed districts of Bhutan. Based on the success of the pilot projects, the program will be replicated and established nationwide.
Youth 13 to 21 years of age form the largest population in Bhutan. The Bhutan Foundation supports youth activities through the Bhutan Youth Development Fund. In 2008, we supported the production of promotional materials to advocate the Youth Development Fund’s activities. Projects covered under this effort were the Draktso Training Center for the Disabled, Bhutan Souvenir Training and Production Center, Youth Volunteers in Action, and Rewa, a substance abuse rehabilitation center. Youth Volunteers in Action encourages youth participation and involvement in planning youth activities, offers youth perspectives, and promotes volunteerism.
Seven ambitious Bhutanese entrepreneurs were able to start these new businesses last year: a financial service, a tire resoling business, a paint business, an agricultural store, a music production business, an e-tendering and classifieds business, and an incense factory. This is thanks to the Loden Entrepreneurship Program (LEP), an entrepreneurial education project that the Bhutan Foundation supports. Last year, LEP held two days of intensive business training, followed by a competition for funding. The seven entrepreneurs were selected from 59 business proposals.

Our support helps LEP in their aim to train and support young Bhutanese entrepreneurs in business ventures. The program provides them with vocational training, moral and technical support, and initial funds to start ventures such as cottage industries, transformation of local products, restaurants and guesthouses, educational and environmental activities, cultural and artistic productions, and others. LEP also evaluates the businesses every six months.

Bhutan struggles with increasing unemployment. By helping young people to be self-starters in business enterprises, LEP hopes to cultivate entrepreneurial skills, create employment, and promote a self-sufficient economy while encouraging social volunteerism by involving successful entrepreneurs and business experts as volunteers.

LEP is a business education project of the Loden Foundation, which promotes education and learning in the Himalayas and raises awareness of the region’s culture, religion, and environment.

Shown are participants in the Loden Entrepreneurship Program 2008. The seven entrepreneurs selected from the 59 participants have been given initial funding and are provided with mentors. Loden hopes to provide this opportunity on an annual basis.
“Bhutan decided long ago that we will never be a military power, we will never be an economic force, so to survive we must have a distinct identity. This is the identity you see; our clothes, language, the architecture. You look around and feel like you are in a different world. This is not an accident.”

Dasho Kinley Dorji
Sewala Shedra, a monastery in Punakha, was able to construct a dormitory for their monks, with support from the Bhutan Foundation. The story of Sewala was featured in WSJ. Magazine of the Wall Street Journal in March 2009 and describes how two travelers, Michael Reynolds and Eric Hoffman, were so moved by their visit to Bhutan and Sewala that they approached the Bhutan Foundation to see if we could help the monks of Sewala and then generously supported the project to build the dormitory.

The article can be viewed online at: www.magazine.wsj.com/hunter/donate/high-road-to-bhutan/
EXPANDING THE SEWALA SHEDRA, TAMSHING MONASTERY, AND DECHEN PHODRANG MONASTIC SCHOOL

Last year, the Bhutan Foundation supported the cultural and spiritual lives of the Bhutanese people by expanding three important Buddhist monasteries and, by association, the lives within their walls.

The Sewala Shedra is a small Buddhist monastery located in Punakha, 12,500 feet atop a Himalayan foothill and a 5- to 7-hour trip from the nearest town by foot. We supported the construction of a three-storied building at the Sewala Shedra. In this naturally spectacular isolation, novice monks from 7 to 16 years old are schooled in Buddhist teachings, scriptures, prayer, and music. But the monastery, built in 1718, receives few visitors, and lack of funds has resulted in building deterioration, inadequate facilities, and unhygienic conditions. It is considered an important and historic monastic school attended by many of the previous Je-Khenpos (head abbots) of the monastic body of Bhutan. Before this project, the young monks lived in sheds made of bamboo and plastic. Now, the building serves as the residence for over 80 young monks who attend the school and has two large study rooms where classes are taught.

The Tamshing Monastery is located in Bumthang in the central part of Bhutan. It is a Buddhist monastery dating back to the early 16th century. Working in partnership with Friends of Tamshing, we supported the construction of the Buddhist school attached to the old monastery. The building is complete and will provide classrooms and improved housing to the monks of Tamshing. Tamshing Monastery is now expanding into a College for Buddhist Studies.

Dechen Phodrang is located in Thimphu, above the Tashichhoe Dzong. It is a monastic school that houses over 450 young monks. The monastery is a historic site, as it houses 12th century paintings and a statue of the founder of Bhutan, Shabdrung Ngawang Namgyal. Working through the Youth Development Fund, the Bhutan Foundation gave an initial grant for building a new dormitory for monks at Dechen Phodrang, and the Youth Development Fund is still in the process of raising additional funds to complete the project.

Tom Attar, a supporter of the Bhutan Foundation, visits with some of the monks at Dechen Phodrang Monastery, where we have been working to improve the living conditions of the monks.
Monastic life is an integral part of the Bhutanese culture, and nuns in Bhutan contribute to the cultural and spiritual values of the larger society. These women serve society and local communities, often helping needy families and serving as role models for other girls and women. However, the nunneries receive little support and often lack basic sanitation, sleeping and cooking quarters, trained teachers, and learning materials.

Last year, the Bhutan Foundation helped improve the well-being and education of nuns in Bhutan by raising funds for the Bhutan Nuns’ Foundation (BNF). The BNF works to ensure that “all Buddhist Nuns and other grassroots women have improved living conditions, quality education, and self-reliance, thus enabling women’s successful participation in the socio-economic development of Bhutan.” The BNF was established under the patronage of Her Majesty the Queen Mother, Ashi Tshering Yangdon Wangchuck.
Community has long been the core of Bhutanese tradition and culture. But with increasing development and urbanization, loss of community structure is a growing concern. The Bhutan Foundation aided the preservation of culture and traditions among Bhutanese communities by supporting local initiatives to continue their age-old traditions and way of life. We provided a grant to support a local project designed to encourage community life and volunteerism, which was piloted in the village of Chang Namkhar in Paro, Bhutan. The grant was used by the local community to revive local festivals and to provide materials for renovating their community’s monastery. One of the ideas behind the project was to continue the sense of community among the residents by giving them opportunities to volunteer in social work. The renovation of the local monastery was carried out by volunteer labor from the community.
The Bhutan Foundation was pleased to support the talented artists at the Voluntary Artists’ Studio, Thimphu (VAST). VAST is a nonprofit organization developed in 1998 to provide opportunities to Bhutanese youth to participate and develop their creative talents, and to share social responsibilities through artistic explorations and other productive work. The organization provides potential vocational skills and alternative positive use of free time and facilitates participation in the national and international art realm. Also, classrooms in Bhutan do not offer art classes, so VAST has an important role to fill. VAST conducts classes in various art genres, organizes art talks and field trips, invites visiting artists to exchange ideas, and holds exhibitions and art shows.

Recently, VAST hosted a three-day art exhibition called the “Dragon Mania Festival.” The festival included painting, sketching, installations, street art and painting performances, digital portraits, and calligraphy, as well as other outdoor activities, all with a dragon theme.

Children explore skills in painting. VAST aims at nurturing the creative talents of the Bhutanese youth. At the Dragon Mania Contemporary Art Festival, children along with their parents were invited to participate in various activities.
Change and transition in Bhutan bring with them an influx of popular music from other countries. The Bhutan Foundation provided support to establish the Music of Bhutan Research Center (MBRC), founded by Kheng Sonam Dorji, a renowned Bhutanese musician, to document, preserve, and promote the traditional music of Bhutan. The first phase of the project started in Trongsa, a historic village, where local traditional music was documented and archived. We also supported Kheng Sonam Dorji in producing the CD, *Music from the Mountains of Bhutan*, one of the first initiatives of MBRC.

MBRC aims to record and archive the musical traditions of the country and prevent them from disappearing. The center works to renew appreciation and involvement in the traditional Bhutanese music realm and promotes the beautiful music of Bhutan to a global audience. In addition, MBRC plans to establish music programs for youth and to train teachers of traditional music for the school system of Bhutan.

The center’s current project, the CD, *Journey to Sengbji: Songs of Am Nimchu Pem*, has been scheduled for release in April 2009.

Kheng Sonam Dorji performed at the Smithsonian Folklife Festival in 2008. The Bhutan Foundation supported his participation at the festival as the first Bhutanese artist with a master’s degree in Performing Arts.
“It is our hope in Bhutan that the wonderful relationship we have built over the years with the people of this great country will continue to grow and contribute to better appreciation, understanding and goodwill for each other.”

HRH Dasho Jigyel Ugyen Wangchuck
“Bhutan and America are indeed two very different nations. Different in size, wealth, geography and population, but together we share common values of liberty, justice and the pursuit of happiness. These values are significant for the lives of our people and these are the foundations on which our development philosophy [of Gross National Happiness] is built.”

HRH Dasho Jigyel Ugyen Wangchuck, opening the 42nd Annual Smithsonian Folklife Festival.
The Bhutan Foundation helped introduce Bhutan to more than 1 million people as a sponsor of the Bhutanese participants at the 42nd Annual Smithsonian Folklife Festival on the National Mall in Washington, DC, which featured Bhutan, the National Air and Space Administration (NASA), and the state of Texas. The two-week event displayed all facets of Bhutanese culture through textiles, food, music, traditional medicine, art and painting, sacred dances, and sport (archery). Visitors even got to walk among monks through a spectacular replica of a Buddhist temple, preconstructed in Bhutan and assembled on the grounds of the National Mall.

Each morning, the Smithsonian Folklife Festival opened to visitors with a procession from the display area to the lhakhang. Every day, a different person of note was honored, from the American construction crew to people with disabilities.
SPONSORING DRAGONS, KINGS, AND POLITICIANS: BHUTAN, THE WORLD’S YOUNGEST DEMOCRACY, AT THE ASIA SOCIETY

Last summer, we introduced New Yorkers to the world’s youngest democracy: Bhutan. With much interest being drawn to Bhutan, particularly because of the development philosophy of Gross National Happiness (GNH), the Bhutan Foundation in partnership with the Asia Society of New York hosted a symposium on GNH on June 19, 2008. The symposium, “Dragons, Kings, and Politicians,” was opened with remarks from the President of the Asia Society Dr. Vishaka Desai and His Royal Highness, Prince Jigyel Ugyen Wangchuck.

The symposium included four panel speakers from Bhutan who introduced the four pillars or goals that outline the focus areas of GNH: Conservation of the Environment, Good Governance, Equitable Development, and Preservation of Culture. In keeping with our goal of promoting understanding and greater awareness of Bhutan, a similar symposium is scheduled to be held at the Asian Art Museum of San Francisco in April 2009. We plan to continue similar initiatives throughout the United States.

After the symposium, New Yorkers were treated to an evening performance of Bhutanese masked dances and traditional songs at the Asia Society. The masked dancers from the Royal Academy of Performing Arts in Bhutan performed four sets of “Cham” dances. The auditorium was filled to capacity.
A national committee led by the Ministry of Home and Cultural Affairs convened to oversee the preparations for the Coronation Celebrations. Their objective was to bring in artisans and performers from remote rural areas to be a part of the celebrations. The Bhutan Foundation gave a small grant to assist in increasing the participation of rural performers. The celebrations were attended by thousands of spectators: local Bhutanese, diplomatic visitors, international guests, and the media.

Ap Tsheri brought his yak all the way from his village in Laya for the Coronation celebrations. The yak adorned in traditional regalia is grazing just before performance.

The national band performed in front of the world’s largest conch, built by VAST, at the celebrations held on November 7, 2008, in Thimphu.
2008 proved to be a very rewarding and productive year for the Bhutan Foundation, with revenues and sources of revenues greatly exceeding past trends. The Bhutan Foundation’s donor base increased over 100% compared to 2007, and the past year brought in total revenue of over $2 million. With the positive expansion in revenues in 2008, we were able to increase overall support for all of the Foundation’s activities, including expending significant sums to support our four primary programs: $351,192.36 toward Equitable Development, $277,984.12 toward Conservation of the Environment, $141,830.31 toward Good Governance, and $235,544.11 toward Preservation of Culture.

With a very successful financial year, the Bhutan Foundation was able to grow significantly in its operations. This growth has been made possible largely through the commitment of our donors, who have continued to support the Foundation’s programs. The strong financial results represent their programmatic backing, which increased by 45% in 2008.

We are all very grateful for the unyielding support we have received to help make 2008 one of the most successful years in the Foundation’s history. While the past support will undoubtedly help the Foundation navigate through what is expected to be a difficult time for the immediate future, we hope that we will continue to experience such solid reinforcement from our supporters in the future as well.

Brian J. Menkes

Treasurer
**Financial Summary**

For the year ended December 31, 2008.

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<th>SUPPORT &amp; REVENUE</th>
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<td>Conservation of the Environment</td>
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<td>Preservation of Culture</td>
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<td>Good Governance</td>
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<td>Monitoring &amp; Evaluating of Programs</td>
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<td>Net Assets Unrestricted</td>
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*Individual Contribution includes $1,000,000 pledge, of which $800,000 is to be received equally over the next four years.
STAY CONNECTED TO THE WORK OF OUR PARTNERS BY GIVING TO THE BHUTAN FOUNDATION

YPO-Philippines visited Bhutan in the Fall of 2008 and are now supporting several programs with our partner organizations.
The Bhutan Health Trust Fund was established in 1997 to ensure continued and timely supply of vaccines and essential drugs. The goal of the Fund is to establish an endowment, which will generate sufficient returns to cover all annual expenditure on vaccines and essential drugs. By ensuring the financing of these crucial components through a Trust Fund, the government of Bhutan can re-direct the national health budget towards other critical areas of health. The Bhutan Foundation continues to raise funds online to help the Health Trust Fund reach its targeted goal of US $24 million.

The Bhutan Nuns’ Foundation (BNF) is a nonprofit organization that was established in 2006 under the patronage of Her Majesty Ashi Tshering Yangdon Wangchuck. BNF was created to help improve the well-being and education of nuns in Bhutan, so that they may be able to contribute to the cultural and spiritual values of the larger society. The Bhutan Foundation continues to work with Ms. Tashi Zangmo, the Director of the Bhutan Nuns’ Foundation, in their work to educate and support the well-being of nuns around Bhutan.

The Loden Foundation was established with the aim of promoting education and learning in the communities in the Himalayan region covering Bhutan, Ladakh, Nepal, and Sikkim. Loden Zhitshog, which is the Loden Foundation chapter in Bhutan, is a charitable organization dedicated to promoting an educational, literary, and intellectual culture in the Kingdom of Bhutan. The Bhutan Foundation supports Loden’s Entrepreneurship Program (LEP), which aims to cultivate entrepreneurial skills, create employment, and promote a self-sufficient community while simultaneously promoting social volunteerism by involving successful entrepreneurs as volunteer mentors.

The Bhutan Center for Media and Democracy was established in 2008 as a response to the needs of the changing times as Bhutan makes the historic transition from a monarchy to a democracy. The Center focuses on building a culture of democracy through promoting quality media, building critical thinking skills among media users, and strengthening discourse, research, and educational activities on media and democracy. The Bhutan Foundation provided a seed grant and has thus far supported the Center in conducting the first ever writer’s workshop in Thimphu, and a workshop with the parliamentarians of Bhutan on the role of media and democracy.

To deal with the trauma, particularly on children, of a rapidly modernizing society, the Bhutan Youth Development Fund was established in 1999 by Her Majesty Ashi Tshering Pem Wangchuck to ensure that the youth of Bhutan have equal access to education, meaningful employment, and opportunities to develop their full potential. Their programs build leadership skills, encourage teamwork, promote the value of service among youth, and address issues of juvenile delinquents and drug abuse.

The Bhutan Foundation is working with the YDF on the Children with Special Needs Program. The Program aims to enhance educational opportunities for children with disabilities and those with special needs.

Founded by Her Majesty the Queen Ashi Sangay Choden Wangchuck in 2004, RENEW, which stands for Respect, Educate, Nurture, and Empower Women, is a non-governmental organization dedicated to empowering women and girls in Bhutan. RENEW programs focus especially on the disadvantaged and victims of domestic violence and sexual assault. Working with the hospitals, police, and courts in Bhutan, RENEW’s counselors and lawyers provide support services and advocate against and raise awareness of gender-based violence issues. The Bhutan Foundation continues to raise funds online to support RENEW in their cause for Bhutanese women.
Royal Society for Protection of Nature

The Royal Society for Protection of Nature (RSPN) was established in 1987 and is the only nonprofit organization in Bhutan exclusively concerned with the conservation of Bhutan’s environment. RSPN works to conserve endangered species, develop ecosystem-based approaches to management in areas outside protected areas, manage emerging urban environmental issues, and enhance institutional capacity for environmental education, ecological research, and community-based natural research management. The Bhutan Foundation has provided funds to the RSPN for infrastructure development in building the new RSPN headquarters and an Environmental Resource Center and for capacity development.

Tarayana Foundation

The Tarayana Foundation is a nonprofit working to enhance vulnerable communities, particularly in the rural parts of Bhutan, established in 2003 by Her Majesty Ashi Dorji Wangmo Wangchuck. Tarayana follows the national goal of taking “special measures in support of disadvantaged and vulnerable groups as well as efforts to ensure that those who have been largely bypassed by the benefits of development are drawn more fully into the mainstream of the development process.” The Bhutan Foundation supports the Tarayana Foundation’s equitable development and poverty alleviation programs by providing funds to support over 800 children by purchasing school uniforms, shoes, books, and supplementary meal costs. We also support their skills development projects in the rural communities of Bhutan.

Voluntary Artists’ Studio, Thimphu

The Voluntary Artists’ Studio, Thimphu or VAST is a nonprofit organization set up with the goal of providing an opportunity to young Bhutanese to participate and develop their potential artistic talents, as well as to share social responsibilities. Established in 1998 by a group of voluntary artists, VAST provides an alternative use of free time through their weekend art, photography, audiovisual, and computer classes. VAST is essentially an Art Guild with the mission of promoting the importance and value of art. Truly impressed by the creativity and outreach of VAST, the Bhutan Foundation has provided small grants for core support and continues to work to help raise funds for VAST.

World Wildlife Fund-Bhutan

World Wildlife Fund – Bhutan (WWF-Bhutan) is a conservation organization working to conserve Bhutan’s rich natural heritage. WWF works closely with the Royal Government of Bhutan focusing on establishing and managing a system of protected areas, while developing the nation’s capacity to manage its natural resources by strengthening relevant institutions, developing human resources, and promoting conservation education and public awareness. The Bhutan Foundation has provided funds to go towards building of infrastructure and general support for WWF-Bhutan. The foundation also recently obtained a grant from a US organization to go towards partnering with WWF-Bhutan in the establishment of a new national park in Bhutan.

If you would like to support any of the organizations above, you can make contributions restricted to the organization online at www.bhutanfound.org
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