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MINISTRY OF ECONOMIC AFFAIRS
ROYAL GOVERNMENT OF BHUTAN
THIMPHU



SECRETARY

MoEA/DCSI/PD-03/2021/ 311

18th June 2021

To
The Secretary
Cabinet Secretariat
Gyalong Tshokhang
Thimphu

Sub: Submission of 4th progress report of the Cottage and Small Industry Action Plan

Dear Dasho,

The Department of Cottage and Small Industry is pleased to submit the 4th progress report of the Cottage and Small Industry (CSI) Action Plan (2019-2023) for the reporting period January 2021 to June 2021 for kind information and review by the Committee of Secretaries.

The department as the Secretariat for the implementation of the Action Plan coordinates and reports implementation status on a biannual basis to the Committee of Secretaries as well as to the heads of the relevant agencies to ensure timely implementation of the activities. The activities of the Action Plan are being implemented by various stakeholders and it also forms a part of the Startup and CSI Flagship Development Program.

For the reporting period, we are happy to submit that majority of the activities were implemented successfully even with the COVID-19 adversity.

On behalf of the ministry, I would like to convey my gratitude to all the stakeholders for extending continued support and collaboration in this important endeavor.

With warm regards,

Karma Tshering

cc:

1. Hon'ble Tengye Lyonpo, Ministry of Economic Affairs
2. Hon'ble Secretary, MoF/MoAF/MoLHR
3. Hon'ble Governor, Royal Monetary Authority

Tel: 322211, Fax: 333317



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4. Director General, Bhutan Standards Bureau
5. Director General, DCSI/IPD/DoT, Ministry of Economic Affairs
6. Director General, DAMC, Ministry of Agriculture and Forests
7. Director General, BAFRA, Ministry of Agriculture and Forest
8. Director General, Department of Revenue and Custom, MoF
9. Director General, DoEHR, Ministry of Labour and Human Resources
10. Director, DTE, Ministry of Labour and Human Resources
11. Regional Director, Regional Office of Economic Affairs, Thimphu
12. Chief Executive Officer, Agency for Promotion of Indigenous Crafts

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Strategic Objective 1: Policy and Legislative Framework			
Activities/Measures	Lead	Progress/Implementation Updates	Remarks
1.1.1 Build forum for CSIs to ensure regular, proactive, two-way public private dialogue between the CSI sector and the relevant RGOB agencies.	DCSI, MoEA	The second CSI Forum on the theme “access to market” was conducted on 16 April 2021 with representatives from TCB, BDBL, DCSI, National CSI Bank, MoAF, BCCI, APIC, Bhutan Post, National CSI Market and representatives from Bhutan Association of Entrepreneurs (BAEyul).	Mr. Surendra Raj Joshi, Senior Resilient Livelihood Specialist, ICIMOD also presented regional best practices on access to market.
1.1.3. Adopt an Integrated Business licensing system- end to end automation of business licensing system	MoEA/MoIC	The following were carried out for the reporting period: <ul style="list-style-type: none"> 1. Launched the Cottage Registration Certificate service 2. Business process transformation for licensing services along with signing-off sectoral clearance procedure with 28 agencies completed. 	The following would be the upcoming activity in IBLS Phase 2: Preparation and floating of tender to outsource IBLS system designing, development, and implementation for Licensing service (Small, Medium, Large, FDI and Trading services)
1.1.4. Organize meetings with relevant stakeholders for integration of other related systems for tax administration and registration.	DRC, MoF	The meeting between DRC and MoEA on integrating the following were held for the reporting period: <ul style="list-style-type: none"> 1. Upcoming new tax system and 2. Integrated Business Licensing System (IBLS) 	

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<p>1.1.5 Adopt registration system for cottage scale industries with validity of 3 years for those activities not requiring any sector clearance and those not in the restricted category</p>	<p>DCSI, MoEA</p>	<p>The Department launched the Guidelines for the Registration of Cottage Scale Industries 2021 along with the online Registration System through the G2B application services (www.g2b.gov.bt) by Hon'ble Tengye Lyonpo on 14 May 2021.</p> <p>For this, the following documents are available for information/download at www.moea.gov.bt/www.g2b.gov.bt</p> <ol style="list-style-type: none"> 1. Guidelines for Registration of Cottage Scale Industries 2021 2. User Manual 3. Video tutorial 4. FAQs 	
<p>1.1.8. Establish consultation forum for tax administration reforms affecting CSIs to bring about ease in tax filing by the CSIs</p>	<p>DRC, MoF</p>	<p>The Department has come up with a new app called the BETA App which targets the small and micro units who can opt to file their return through this app for ease of tax filing.</p>	
<p>1.1.9 Prepare Satellite CSI accounting to account CSI contribution to the economy.</p>	<p>NSB/MoEA</p>	<p>As the initial step for the activity, the Department in collaboration with Regional Office of Economic Affairs and Economic Development Officers has completed validating the operational CSIs for all 20 Dzongkhags.</p>	<p>The survey to determine the CSIs contribution to the GDP would be carried out in the next FY in collaboration with the NSB.</p>
<p>1.1.13 CSI Report</p>	<p>DCSI, MoEA</p>	<p>The annual CSI Report was published and its accessible from www.moea.gov.bt/www.dcsi.gov.bt</p>	

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Strategic Objective 2: Entrepreneurship Culture and Human Capital Development			
Activities/Measures	Lead	Progress/Implementation Updates	Remarks
2.1.1 Awareness Raising Programs and entrepreneurship activities to influence perceptions towards entrepreneurship.	DoEHR, DTE MoLHR	The Department introduced the Business and Entrepreneurship course in place of Commerce subject in all high schools with effect from year 2021 which will create/change the perception of entrepreneurship culture.	
2.1.2. Conduct Business Advocacy Program.	DCSI, MoEA	<p>Dissemination of business information is vital to promote and inculcate a culture of entrepreneurship. Information relating to business opportunities, government support and facilitations for potential entrepreneurs, regulatory process and procedure for taking up business, etc. affects people's entrepreneurial enthusiasm. To provide up to date information to the potential entrepreneurs, a one-day workshop was organized in five Dzongkhags and four Technical Training Institutes (TTIs) sensitizing participants on various support programs and business development services.</p> <p>A total of 656 potential entrepreneurs were sensitized during the fiscal year. The participants included oversea returnees, school dropouts, unemployed graduates, and final year students of Technical Training Institutes.</p>	<p>Details of Business Advocacy Workshop conducted:</p> <ol style="list-style-type: none"> 1. Thimphu tech park - 73 2. Startup Centre - 30 3. RENEW - 15 4. Chukha - 18 5. Tsirang - 30 6. GNHC - 11 7. Tashigang - 30 8. TTI, Chumey - 117 9. TTI, Ranjung - 55 10. Youth Centre, Thimphu - 21 11. Youth Centre, Punakha - 23 12. TTI, Thimphu - 80 13. Tsirang - 20 14. Institute of Zorig Chusum – 28 15. TTI, Samthang - 85

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2.2.1. Conduct Business Seedling Program.	DoEHR, MoLHR	To complement the Business and Entrepreneurship course in high schools, Student Business Seedling club is proposed to give revolving funds to all high school students which will enable and encourage students to do activities on entrepreneurship and innovation.	
2.2.2. Entrepreneurship Development Training (Micro works and online freelancing, ToT on new business creation and counseling, entrepreneurship education development and capacity development for EDP teachers).	DoEHR MoLHR	<p>The following works were carried out for the reporting period:</p> <ol style="list-style-type: none"> 1. Virtual Micro Works online freelancing provided to 97 students. 2. ToT on Entrepreneurship was provided to 94 participants (8 GAOs of Chukha Dzongkhag and 7 youths and 77 teachers trained on the Business and Entrepreneurship course). 3. Business and Entrepreneurship curriculum developed and rolled out in high schools starting this academic year 2021. 	
2.2.3 Startup acceleration and prototyping.	DoEHR MoLHR	The Concept development for the activity is ongoing.	
2.3.1 Startup programs / events (hackathon on technology, startup week, business idea competition - within and outside Bhutan and conduct promotion and networking.	DoEHR, MoLHR	<ol style="list-style-type: none"> 1. Startup Hackathon concept developed and the Department plans to roll out for participation soon. 2. M/s. One Click Shop reached the regional round for Seedstars Global Competition. For the program, 30 Startups participated from Bhutan, out of which 5 Startups were selected for local competition. 	

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2.8.1 Promote industry collaboration and linkages between TVET institutions and CSI in implementation of TVET programmes.	DoEHR/DTE, MoLHR	Trainees are sent for on the job training to the industries	
2.10.1. Hard and soft skill training.	DCSI, MoEA	<p>The Department completed providing capacity building to the CSIs in the following field:</p> <ol style="list-style-type: none"> 1. Business Management Training - 239 2. Floriculture Training - 24 3. Digital Marketing Training - 22 	
2.10.3. Capacity building in post-harvest and equipment handling.	DAMC, MoAF	573 members have been trained on post-harvest capacity development in various Gewogs and Dzongkhags by the Department for the reporting period.	
2.10.4. Startup Incubation and digital fabrication trainings and programs	DoEHR, MoLHR	The Department provided training to 14 incubation managers and completed one to one session with World Bank experts on Diagnostic study to enhance and strengthen incubation centers.	

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<p>2.10.5. Product diversification, miniaturization, innovation and new designs.</p>	<p align="center">APIC</p>	<p>The following trainings on Product Diversification, Miniaturization, Innovation and New Designs are conducted:</p> <ol style="list-style-type: none"> 1. Product Development on Metal products at Ramtoktok, Thimphu for 10 artisans. 2. Product Development Training on Cane & Bamboo products at Pangbang, Zhemgang for 18 artisans. 3. Training on new product development for the export market and imparting the skills of natural dyeing for 10 days for the 24 weavers of Radhi Textile Cluster. 	<p>The product development trainings for Philooma Cane and Bamboo Cluster, Orong gewog, Samdrupjongkhar and Bjokha Cane & Bamboo Cluster, Zhemgang couldn't be conducted owing to the COVID-19 protocols and travel restrictions imposed by the Dzongkhags until the situation is improved or back to normalcy.</p>
<p>2.11.1 Promote entrepreneurship amongst vulnerable groups including PWDs in CSIs to improve their livelihoods through provision of preferential business development services.</p>	<p align="center">Relevant Agencies</p>	<p>Conducted Business Advocacy Workshop (sensitization on business opportunities, how to start a business, government support programs and facilitations services, Licensing process and procedure to Disability Association of Bhutan in November 2020 in Thimphu.</p>	<p>11 participants attended the workshop. Majority of them were from the Wangsel Institute (for the deaf).</p>

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Strategic Objective 3: Business Development Support and Infrastructure			
Activities/Measures	Lead	Progress/Implementation Updates	Remarks
3.1.1. Construct and furnish 2 Startup centers	DCSI, MoEA	<p>The construction of G+1 storied building to be facilitated as the Startup Center is under construction at Dhamdum Industrial Park under Samtse Dzongkhag. The construction is awarded to M/s SKD Construction Private Limited at the bid price of Nu. 34.4 million.</p> <p>At present, the project has completed 31% of overall construction works. The project could have achieved higher work progress but due to the current pandemic and imposition of lockdown 0.1, 0.2 and 0.3 in the Dzongkhag, the work transition has been hindered severely.</p> <p>However, the Department in collaboration with the contractor is putting the best solutions and alternatives in place to achieve the target for the FY.</p>	The construction of the Startup Center in Gyelposhing, Monggar could not be pursued despite the Department's time and effort in initiating the works at the earliest.
3.1.2. Establishment of Business Incubation Center at TTIs	DoEHR, MoLHR	<p>The Department established two Business Incubation Centre as follows:</p> <ol style="list-style-type: none"> 1. One at Sherubtse College, Kanglung, Tashigang 2. One at Jigme Namgyel Engineering College, Dewathang, Samdrup Jongkhar 	

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3.1.3. Establishment of Fablabs	DoEHR, MoLHR	The Department established two Fablabs as follows: <ol style="list-style-type: none"> 1. One at College of Natural Resource, Lobesa, Wangdue 2. One at Jigme Wangchuk Power Training Institute, Sarpang. 	
3.1.4. Strengthening of Startup Cent	DCSI, MoEA	Though the Startup Center was established in 2018, there are still various strengthening works to be completed to make it more vibrant. the department completed the following for the reporting period: <ol style="list-style-type: none"> 1. A 10 unit co-working space was created for the IT & IT enabled services. 2. Converted the canteen of the old Service Centre to a Creche facility. 	

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<p>3.2.1. Establish CSI estates in Dzongkhags which are not catered by the industrial estates/parks.</p>	<p>DCSI, MoEA</p>	<p>The establishment of the first ever CSI Estate is under construction at Changchey, under Semjong Gewog, Tsirang Dzongkhag. The CSI Estate is located about 13kms away from the Dzongkhag Administration. The construction project was awarded to M/s P. Gyeltshen Construction Private Limited at bid price of Nu. 34.4 million. The project is financed under GoI PTA. At present, the project has completed 70% of the overall construction works.</p>	<p>The Department also proposed the establishment of CSI Estate in Paro and Bumthang. The preliminary assessment of the field has been conducted in due consultation and collaboration with the relevant stakeholders from the concerned Dzongkhag Administration. The Department has also been accorded an approval to conduct Environmental Impact Assessment for the establishment of CSI Estates in the aforesaid two Dzongkhags by the National Environment Commission Secretariat. However, the National Land Commission Secretariat (NLCS) issued a moratorium letter to the Department stating that they are putting a halt on the agency seeking state land for the establishment of SMEs. Since NLCS is an overall apex body for land administration and management, the Department regarded the letter of NLCS and thus could not proceed further with DPR for proposed CSI Estates.</p>
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<p>3.3.1 Designate space for Startups in the industrial estates/parks.</p>	<p>DCSI, MoEA</p>	<p>The CSI Estate at Changchey has 12 industrial plots. The Department has also called an application seeking interested business individuals, entrepreneurs and youths to apply for the available plots.</p> <p>Hitherto, the Department has received 13 applications from various business individuals and the entrepreneurs. Of 13 applications, 11 applicants have been accorded industrial land for long-term lease. The remaining 2 applications were returned since the proposal requesting land was found to be outside food processing and manufacturing.</p> <p>At present, there are no established rules or any guidelines that provide designated space at industrial estates for startups. The application process is kept open for every enthusiastic entrepreneur or individuals expressing innovative and creative business ideas. However, in the event startups happen to apply for the industrial land, then the Department may render preference that startups provided that he/she is promising and a successful entrepreneur graduated from the Startup Center or has exhibited innovative and creative skills to venture into real business practice.</p>	
<p>3.4.1 Stimulate the development of business clusters and/or value chains to increase competitiveness of CSI products and services.</p>	<p>DAMC MoAF</p>	<p>The Department has identified 14 FGs/Coops which will promote their value-added products through various media platforms.</p> <p>Tendering process is ongoing.</p>	

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3.5.1 Packaging support	DAMC MoAF	15 registered FGs/Coops have been supported with the packaging equipment and materials for the reporting period.	
3.6.1. Establishment of market infrastructure (Collection Points)	DAMC, MoAF	<p>Construction of the following market infrastructure is ongoing and expected to complete soon (90% work completed)</p> <ol style="list-style-type: none"> 1. Construction of Sale outlet at Khengzam, Dungmin Gewog, Pemagatshel. 2. Construction of Sale outlet at Menchugang, Saling Gewog, Mongar. 3. Construction of Sale outlet at Jurmey Gewog, Mongar. 4. Construction of potato storage facility at Tangsibji Gewog, Trongsa Dzongkhag. 5. Construction of pack house at Tendruk, Samtse Dzongkhag 	
3.6.2 Establishment of market linkages to link producers to market.	DAMC, MoAF	For the market linkages, 40 registered FG/Coops have been linked to 40 different schools.	
3.6.3. Establish Central Yarn Bank.	APIC	The main source of yarn supplier was identified in India. Due to current pandemic situations across the globe, the team couldn't visit potential suppliers in India. As a result, the team has contacted the suppliers through virtual and zooms. The same can be possible until the general situation is back to normalcy or improved.	

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3.6.4. Construction of Common Facility Center (CFC).	APIC	The construction work of the CFC at Radhi, Tashigang is in full swing and another CFC construction at Sakteng will start from the next Financial Year (2021-2022).	
3.7.1 Strengthen cooperatives, farmers groups, clusters and community-based initiatives.	DAMC, MoAF	<p>Trained 18 FGs/Coops on capacity development, 10 number of Cooperatives and 11 number of Farmer Groups has been registered with the department.</p> <p>40 FGs/Coops have been linked to school, 15 FG/Coops have been supported with packaging support, and 16 FG/Coops have been supported with post-harvest equipment.</p>	
3.8.1. Industrial Development Scheme and Essential Service Scheme.	DCSI, MoEA	<p>1. Essential Service Scheme: The Department supported 30 CSIs to establish essential services in the Dzongkhags of Punakha, Dagana, Zhemgang, Tsirang, Chukha in the areas of tailoring, beauty parlor, hair cutting and house wiring.</p> <p>2. Industrial Development Grant Scheme: The Department provided IDGS to 113 beneficiaries as follows:</p> <ol style="list-style-type: none"> 1. 71 male beneficiaries 2. 37 female beneficiaries 3. 5 Group beneficiaries 	

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3.8.3. Value addition equipment through C-BuDS.	DAMC, MoAF	<p>16 FGs/Coops have been supported with the value-added/post-harvest equipment through C-BuDS Guidelines.</p> <p>(New Activity: RNR-Based Enterprise)</p> <p>11 proposals from registered FG/Coops have been qualified for the scheme approved by the PSC Committee and on the ministry's cost sharing scheme. Tendering process is ongoing. .</p>	
3.11.1 Carry out study to identify Informal Sectors.	DCSI, MoEA	<p>The Diagnostic study of Informal Sector was completed and the report can be accessed from www.moea.gov.bt/www.dcsi.gov.bt</p>	

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Strategic Objective 4: Enhancing Access to Finance and Incentives			
Activities/Measures	Lead	Progress/Implementation Updates	Remarks
4.1.1.PSL Priority list updated for financing	RMA	The PSL Guideline has been revised and will be into force from July 2021.	
4.2.1. Incentivize CSI banks and FIs to lend at affordable rates and encourage FIs to commit a portion of their loans to CSIs.	RMA	Financial Institutions (FIs) are provided tax incentive on interest income from lending to CSIs and the RMA is in frequent communication and dialogue with FIs to commit portion of their loans to CSIs	
4.3.1 Expand the coverage of MFIs in rural areas	RMA	Currently, there are five Micro Financial Institutions in the country and their network/outreach is spread in 18 Dzongkhags. Efforts are underway to expand the coverage to all the Dzongkhags.	

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Strategic Objective 5: Innovation and Technology Adoption			
Activities/Measures	Lead	Progress/Implementation Updates	Remarks
5.2.1. Develop database for up-to-date information on appropriate technologies for CSIs.	DCSI, MoEA	<p>The CSI Technology Request Database was launched by Hon'ble Tengye Lyonpo on 14 May 2021.</p> <p>The online database will facilitate entrepreneurs to search and adopt the right and appropriate technology required for operating their business and thus, lead to increased productivity and growth. The online database platform would serve as a means to exchange technology (both offers and technology requests) within and outside Bhutan. The online search engine is connected to select international data base centers which provide access to various technology suppliers.</p> <p>The system can be accessed from www.dcsitechnology.bt</p> <p>Since its launch, there were 4 CSIs registered as suppliers and 4 CSIs for technology requests.</p>	

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<p>5.3.1. Awareness activities and capacity building programs on IPR.</p>	<p>DoIP, MoEA</p>	<ol style="list-style-type: none"> 1. The Department of Intellectual Property (DoIP), Ministry of Economic Affairs conducted a half day sensitization workshop on copyright and related rights with special emphasis on the copyright management and enforcement on 26 March 2021. The half day workshop focused on the enforcement and management of copyright and related rights that comprises two important pillars of the copyright and was attended by creators in the field of music (performers, composers, record companies and producers). 2. The Department conducted a one and half day sensitization workshop on Intellectual Property Rights to the Regional Office of Economic Affairs officials and business entities of Trongsa on 5-6 April 2021. The first day workshop focused on overview of Intellectual Property (IP) and different branches of IP viz. Trademark, Industrial Design, Patent, Trade Secret and Copyright. Furthermore, the program also covered the enforcement of the Intellectual Property Rights and practical session on browsing Bhutan IP Search for conflicting Trademarks and familiarization on the DoIP’s website and resources therein. 	
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		<p>3. The Department conducted a sensitization workshop on Intellectual Property Rights to the Regional Office of Economic Affairs officials, Dzongkhag officials of Monggar on 8-9 April 2021. The program contents were similar to No. 2 above and Annual Magazine 2020 and pamphlets were also distributed to all the officials.</p> <p>4. Facilitated in featuring the first Bhutanese CSI story in the World Intellectual Property Organization’s Magazine (April 2021): http://www.ipbhutan.gov.bt/attachment/ckfinder/userfiles/files/wipo_pub_121_2021_01.pdf</p> <p>5. The Department hosted the Annual Trademark Award on April 26, 2021 as part of the World IP Day Celebration. Certificates and cash prizes were awarded to the following three winners:</p> <p style="padding-left: 40px;">i) <i>Chechay</i> (Sanitary pads and accessories), ii) <i>Laykha</i> (Diary products) iii) <i>Kingdom Essence</i> (ointments and balm).</p> <p>The National Trademark Award was instituted to recognize the role and significance of the trademark in promoting business and building recognizable brands through improvement and maintenance of</p>	
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		<p>the quality of products in the markets. Through such IP awards, we expect our local businesses to understand the importance of creating, protecting and utilizing their Trademarks. This year’s global theme for the World IP Day celebration is “IP & SMEs: Taking your ideas to market,” which was chosen mainly because globally statistics shows that 90% of businesses are SMEs as in the case of our country’s share of Cottage and Small Industries. SMEs can use IPs to build stronger and competitive businesses by incorporating new designs and packaging, creating distinctive trademarks, using valuable literary and artistic works and adopting appropriate technologies. On the whole, with IPs business can create value, communities can thrive and national economies can prosper. The hon’ble Secretary of the Ministry of Economic Affairs graced the event as the Chief Guest.</p> <p>6. The Department conducted a half-day awareness workshop on Intellectual Property (IP) system to the entrepreneurs of Changzamtog Business Start-up Center on 29 April 2021. The participants were sensitized on the importance of integrating IP to build their businesses stronger, competitive and resilient. Besides, the IP subject matter participants were shown different TV spots on IP. The program was organized by the DCSI and attended by 20</p>	
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		<p>participants comprising Business start-up entrepreneurs and some DCSI officials.</p> <p>7. The Department organized the National Copyright Award on 11 June 2021. The award is conducted to fulfill the strategic objectives of the National Intellectual Property Policy 2018. Apart from providing incentives for the creators, the Department envisages to build awareness on the importance of the copyright system and encourage innovation and creativity in our creative sector, which are mostly CSIs.</p>	
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<p>5.4.1. Access to global patent design and brand databases and related services, through the Technology and Innovation Support Centers - TISCs (College of Science and Technology, Jigme Namgyel Engineering College and Thimphu TechPark Ltd.) to CSIs.</p>	<p align="center">DoIP, MoEA</p>	<p>Owing to the ongoing pandemic practical training could not be conducted by inviting external experts as planned. Moreover, the Department also could not conduct any hands-on technology search training during the period since physical attendance was not possible for two of the three centers which are located in the southern covid high risk zones.</p> <p>To keep track of the work, DoIP had a virtual discussion with WIPO’s TISC Division Officials (Mr. Czajkowski, Mr. Rachael and Mr. Hussain) in January 2021. During our meeting with WIPO's TISC Officials, the main point raised from our side was re-emphasize practical training needs on patent searching to boost their capability as well as confidence in operating the centers. To this, WIPO Officials responded that the first training held in April 2019 would suffice to operate our centers and we could start with basic information and search services in view of the present movement restrictions. We have then informed them that bilateral discussions with our three national centers will be carried out to assess their readiness in operating the centers and get back to them.</p> <p>Subsequently, DoIP held bilateral meetings with Techpark, CST and JNEC in person and via calls to update on our discussion held with WIPO and work out a way forward for respective TISCs in the ongoing constrained situation. All three national</p>	
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		TISCs agreed to operate with basic technology search and information services but also raised the need to undergo a refreshers course as soon as the pandemic situation improves in the covid high-risk zones. The next course of action is to hold a refreshers course/training by DoIP, operation of the centers and procuring an external expert for a week-long hands-on training in the country.	
5.5.1. Advisory services and related assistance in franchising and licensing of IPR in permissible areas.	DoIP, MoEA	None of the businesses approached the department during the period for advice relating to franchising and licensing. However, awareness on these was created to the potential businesses and participants during the awareness workshops on IP.	
5.7.1. Voucher scheme to stimulate R&D, innovation and technological absorption by CSIs.	DCSI, MoEA	The training on food and vegetable processing was conducted for three entrepreneurs in collaboration with National Post Harvest Center, Ministry of Agriculture and Forest. The following were the beneficiaries of the IVS: <ul style="list-style-type: none"> 1. Mr. Tandin Wangchuk, Promoter of Fresh Cut Fruits 2. Mr. Sonam Rinchen, Promoter of Gaki Processing Food 3. Mr. Tek Nath Adhikari, Promoter of Fresh Juice 	

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Strategic Objective 6: Access to Market			
Activities/Measures	Lead	Progress/Implementation Updates	Remarks
6.1.1. Awareness on GHP/GMP/Certification requirements to CSIs.	BAFRA, MoAF	The 100 food handlers from CSIs in Samtse, Tsirang, Trashigang, Zhemgang and Bumthang were provided with Food Handlers Training and issued with Food Handlers License which are prerequisite for Licensing and Certification of Food Businesses.	
6.1.2. Subcontract food samples to reference laboratories for authentication of label and verification of nutritional claims.	BAFRA, MoAF	16 food samples (herbal tea, ginger, turmeric, kiwi, Yacon & mustard oil products) submitted by CSIs were sub-contracted to reference laboratory in Kolkata for testing against standard requirements for Licensing and Certification. BAFRA is also testing the samples submitted by CSI at National Food Testing Laboratory, Yusipang depending on the testing scope at the laboratory to fulfil the testing requirements in the food commodity standards.	
6.1.3. Increase ISO/IEC 17065 accreditation scope of BAFRA's food product certification.	BAFRA, MoAF	<ol style="list-style-type: none"> 1. BAFRA assessed CSIs based on BAFRA Good Hygienic and Good Manufacturing Practices (GHP/GMP) and issued Food Safety License to 5 CSIs. 2. To enable product certification as per the requirement of ISO/IEC 17065, Scheme of Testing and Inspection (STI) were developed. The STI were based on the Standards for Butter, Datshi, Paneer, Buckwheat Flour and Herbal Tea received from BSB. These STIs will be the basis for implementation of the Standard by the CSIs (for self-monitoring and internal controls) and audit by the certification body (verifiable during technical inspections). 3. BAFRA carried out an awareness on product standard requirements and certification facilitation workshop for the interested and potential CSIs based in Trongsa and 	

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		<p>Bumthang. http://www.bafra.gov.bt/facilitating-third-party-certification-of-agro-based-csi-products/</p> <p>4. BAFRA-CS is in the process of facilitating third-party certification for 4 interested clients for food product certification for the following national Standards:</p> <ul style="list-style-type: none"> - Buckwheat Flour as per BTS 303:2020 - Herbal Tea as per BTS 304:2020 - Paneer as per BTS 301: 2020 (IS 10484:1983) <p>5. BAFRA has also made public announcement in various print media, social media and websites fir seeking applications for Third Party Certification of these five products.</p>	
<p>6.1.4. Capacity building of National Food Testing Laboratory (NFTL).</p>	<p>BAFRA, MoAF</p>	<p>Under this Activity, NFTL will introduce new test parameters in addition to the existing ones for the CSI products by purchase of the required laboratory items. Testing of the samples will commence as soon as the items are received in the lab. Following Progress had been made in the previous months:</p> <ol style="list-style-type: none"> 1. NFTL identified the test parameters for the CSI products and accordingly the list of the required lab chemicals/ media/ consumables was prepared. The tendering process of opening and evaluation had been completed and the letter of intent had been issued to the suppliers. 2. The contact awards for the required laboratory items for the new parameters have been given and lab is constantly following up with the suppliers for the delivery of the same. Many of the required items are still not delivered to NFTL. 3. The required Test standards have been purchased and the development of the standard operating procedures are carried out. 	

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		<p>4. The due processes for the purchase of the UHPLC were completed from BAFRA's side, by issuing the letter of acceptance to the supplier. But the signing of the agreement with the supplier is at halt due to COVID-19 situations, since the delivery and installation/commissioning/training on the equipment will not possible because of the travel restrictions.</p>	
6.2.1. Awareness programs on certification and conformity assessment.	BSB	Awareness workshops conducted in Gasa, Punakha and Wangduephodrang.	Awareness workshops will be conducted as planned in Dagana, Tsirang, Trongsa, Zhemgang, Bumthang, Monggar, Lhuntse, T/gang and T/Yangtse if COVID-19 pandemic improves before end of June 2021
6.2.2. Product certification cost with technical expertise from outside Bhutan.	BSB	<ol style="list-style-type: none"> 1. 5 products (Pencil, Incense, Handmade paper, Silk and Concrete Blocks) were identified for certification from the 10 standards developed in FY 2019-2020. 2. 5 Agro and food-based standards were handed over to BAFRA for certification. 	The certification process is expected to be completed by the end of June or mid July 2021. The delay is expected due to the late arrival of equipment to be provided as an end-to-end support to the manufacturers. The final inspection cannot be conducted before the installation of the equipment.

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6.2.3. Develop and adopt standards.	BSB	10 standards were identified to be developed/adopted in the FY 2020-2021 - Dapa, Bangchung, Doors, Windows, Potato Chips, Honey, Kiwi Juice, Sea Buckthorn, Kombucha, Mustard Oil. The standardization process is in full swing and the standards will be delivered by mid July 2021.	
6.3.3 Develop criteria for two sector brands.	DoT, MoEA	Criteria developed for Made in Bhutan (Handicrafts) while criteria for Grown in Bhutan is being formulated in cooperation with ITC and Ministry of Agriculture and Forests.	
6.3.4. Develop criteria, specifications and product profile for the application of BB.	DoT, MoEA	Criteria for Made in Bhutan (Handicrafts) developed. The criteria can be accessed from www.moea.gov.bt	
6.4.2. Registration of BB with IP.	DOT, MoEA	National registration of BB with the Department of Intellectual Property completed. The Department is exploring the possibility of BB registration internationally.	
6.7.1. New CSI Product launching events.	DCSI, MoEA	The department organized two product launching events during the FY 2020- 2021. The first event was organized coinciding with the opening of the CSI market. The second was held during the live telecast of the CSI product promotion and launch event wherein 5 new products and services were launched. A total of 11 new CSI products and services were launched. <ol style="list-style-type: none"> 1. Dehydrated Vegetables and Fruits by M/s. Bhutan Yoedhen Farm 2. Cordi vigour and Dhuyetsi Chulen Jr. by M/s. Touch from Heaven 3. Egg and Vegetable Noodles) by M/s. Bidhas Food Products 	

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		<ol style="list-style-type: none"> 4. Naturally Dyed Yarn by M/s. Deki Natural Dyes 5. Music Application by M/s. B Music World 6. Online Portal for Job Application by M/s. Druk Infinity Services. 7. Facemask by M/s. Bhutan Health Care 8. Dry Fruit Jellies and Candies by M/s. BHUTAN HUT 9. Incense burner by M/s. Sangpho 10. Coffee beans by M/s. Bhutan Mountain Coffee 11. Green tea leaves, Bhutan coffee beans, roasted coffee beans by M/s. Bhutan Tea and Coffee <p>The purpose of the product launch is to provide a platform for the Startups and CSIs entrepreneurs to introduce and showcase their products, to provide better access to market and to create linkage with the potential dealers and customers.</p>	
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<p>6.8.1 Renovation/ Remodeling of the old service center and development of CSI marketplace.</p>	<p>DCSI, MoEA</p>	<p>Renovation and remodeling of the old service center into CSI Market has been completed and formal inaugural ceremony of the market was conducted by Hon'ble Tengye Lyonpo and the representative from Embassy of India to Bhutan on December 18, 2020.</p> <p>The operation of the market is awarded to private individual for a contract period of five years and it's subject to renewal based on compliance of the terms and conditions of the Department and the operational and performance status of the market</p> <p>The market is fully furnished under the financial assistance of the CSI Flagship Development program rolled out by the government under the 12 FYP.</p>	
<p>6.8.2. Develop a business model for operation and management of the marketplace.</p>	<p>DCSI, MoEA</p>	<p>The development of business model for operation and management of CSI Market in Changzamtog is completed and currently the modus operandi is under full implementation by the CSI Market operator. The business model for operation and management of the marketplace is developed by a private consultancy firm based in Thimphu for a bid price of Nu. 0.83 million.</p> <p>The Department is also planning to operate CSI Market in another seven Dzongkhags of Bumthang, Phuntsholing under Chukha Dzongkhag, Monggar, Gelephu under Sarpang Dzongkhag, Paro, Punakha and Samdrupjongkhar. The proposal for the establishment of CSI Markets in these places is not only to provide dedicated market platforms to Bhutanese production and manufacturing sectors but also these Dzongkhags are deemed as one of the biggest and the most populated amongst Dzongkhags. Besides, the numbers of national, regional and international tourists visiting these Dzongkhags was found to be high as highlighted by Tourism Monitoring Reports of Bhutan, 2019.</p>	<p>At present, the Department has completed the development of the first draft concept note on modus operandi for the establishment of CSI Markets for the above-mentioned seven Dzongkhags.</p>

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6.10.1. CSI product mapping in 20 Dzongkhags/CSI Product Directory	DCSI, MoEA	<p>The department has developed a first of its kind CSI Product Directory which features details of all the CSI products in the country.</p> <p>The main objective of having the database of CSI Product Directory is to:</p> <ul style="list-style-type: none"> ▪ Provide easy access to information pertaining to CSI products to all customers within and outside the country. <p>This product directory will be fully integrated with the e-commerce platform and e-payment gateway systems in the future.</p> <p>The platform can be accessed from www.bhutanproduct.bt</p>	
6.12.1 Facilitate use of e-commerce platforms including e-payment systems by CSIs for greater market access.	RoEA, MoEA	For the reporting period, the RoEA facilitated issuance of 43 e-commerce business license.	