

**BLUEPRINT**

**STARTUP AND COTTAGE & SMALL INDUSTRY DEVELOPMENT FLAGSHIP PROGRAM**

**2019-2023**

Department of Cottage and Small Industry Ministry of Economic Affairs

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**ABBREVIATIONS**

|  |  |
| --- | --- |
| APIC | Agency for Promotion of Indigenous Crafts |
| BSB | Bhutan Standards Bureau |
| CSIs | Cottage and Small Industries |
| DAMC | Department of Agricultural Marketing and Cooperatives |
| DCSI | Department of Cottage and Small Industry |
| DoEHR | Department of Employment and Human Resources |
| DoIP | Department of Intellectual Property |
| DoT | Department of Trade |
| DoTE | Department of Technical Education |
| EDOs | Economic Development Officers |
| EDP | Economic Development Policy |
| FYP | Five Year Plan |
| GDP | Gross Domestic Product |
| IZC | Institute of Zorig Chusum |
| RGoB | Royal Government of Bhutan |
| RMB | Raw Material Bank |
| RUB | Royal University of Bhutan |
| MFA | Ministry of Foreign Affairs |
| MoAF | Ministry of Agriculture and Forests |
| MoEA | Ministry of Economic Affairs |
| MoF | Ministry of Finance |
| MoLHR | Ministry of Labour and Human Resources |
| NLC | National Land Commission |
| PAM | Production and Manufacturing |
| PSL | Priority Sector Lending |
| SBS | Student Business Seedling |
| REDCL | Rural Enterprise Development Corporation Limited |
| RMA | Royal Monetary Authority |
| RUB | Royal University of Bhutan |
| TTI | Technical Training Institute |
| TVET | Technical and Vocational Education and Training |

# BACKGROUND

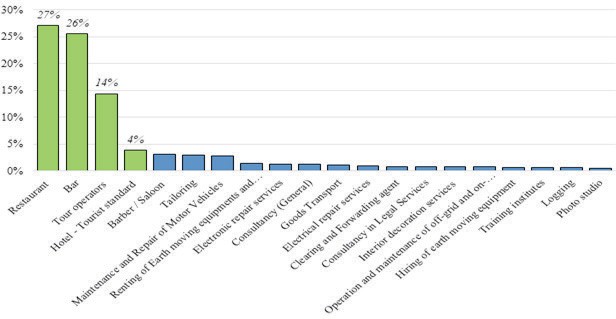
Often dubbed as the backbone of economy, CSIs forms the bedrock for economic development. They are recognized for their socio-economic roles - driving innovation and investment, diversifying economic base, creating employment opportunities, curbing rural-urban migration, reducing poverty, and potential to contribute towards economic self-reliance. On these fronts, CSI development agenda is gaining priority, particularly in developing countries.

CSI constitutes one of the major sectors of the Bhutanese economy from the perspective of future growth potential. Further, the fact that Bhutan being a hydropower driven economy (single sector driven economy) makes CSI a significant sector from the standpoint of economic diversification. This has been recognized by the Royal Government and towards this testimony; it is designated as one of the five economic jewels.

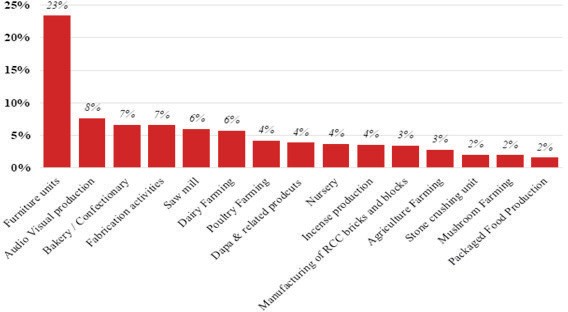
CSI predominates Bhutan’s industrial sector in terms of the number of establishments. The CSIs constitutes more than 95% of the total industry in Bhutan. As of 20th May, 2019, there were 21,734 licensed and operational CSIs in the country as compared to 20,917 as of 15th June 2018. Industry in Bhutan is categorized into three sectors, viz, Service, Production and Manufacturing (P&M) and Contract.

|  |  |
| --- | --- |
| **Sector** | **As of May 20, 2019** |
| Service | 17,273 |
| Production and Manufacturing | 2,575 |
| Contract | 1,886 |
| Total | 21,734 |

The sector is characterized by high density of few industries. For instance, bar and travel agency dominate service sector (Graph 1); while furniture unit is the dominating industry under the P&M sector (Graph 2).



*Graph 1: Industrial units under service sector*



*Graph 2: Industrial units under P&M sector*

Currently, the growth of CSI is plagued by a myriad of challenges as described under the section “Key Challenges”. As a result, although the number of establishment has increased over the years, productivity, innovativeness and competitiveness of the sector has remained low and at a nascent stage. The sector has not been able to realize its full potential and achieve the expected outcome.

Therefore, considering the role of this sector in the economy and its current situation, the government felt the need to promote it with robust and unprecedented approach. Thus, CSI development is adopted as a ‘Flagship Program’ in the 12th FYP to set a beginning for priority development with coordinated effort and focused investment.

# DEFINITION OF STARTUP AND CSI

Within the three CSIs sectors of P&M, Service, and Contract, individual firms are sub-classified into different scales: large, medium, small, and cottage based on the level of investment (fixed capital), and the number of people employed as depicted in Table below).

|  |  |  |
| --- | --- | --- |
| **Categorization** | **Investment (in Million Nu.)** | **No. of Employment** |
| Cottage | < 1 | 1 – 4 |
| Small | 1 – 10 | 5 – 19 |
| Medium | > 10 – 100 | 20 – 99 |
| Large | > 100 | 100 + |

*Note: In case of conﬂict between investment and employment, investment takes precedence.*

Startups means that any **innovative business ventures** that aim to meet marketplace needs/ problems, that are mostly **technology driven** and have **high growth potential**. Startups may be funded by traditional small business loans from banks, government sponsor loans or by grants and could attract large investment through innovative financing such as **angel investors, crowd funding and venture capitalists.**

# KEY CHALLENGES

There are several issues that need to be addressed to create a vibrant CSI sector. Some of the important issues are described as follows:

|  |  |
| --- | --- |
| **Issues** | **Description** |
| 1. Lack of coordination among stakeholders | - CSI development requires involvement of different stakeholders in different phases of the business life eg. Ideation, skilling, production, post production, marketing. The fact that stakeholders - regulatory, financing, Business Development Service provider function in silo has led to duplication/ overlapping of support in certain phases, while absent in other phases. |
| 2. Lengthy and tedious licensing procedure | - Business licensing is a cross-sectoral activity. Therefore, sector clearance is a prerequisite document for licensing. The lack of coordination among the stakeholders results into different organizations following own different rules, that lengthens the clearance processing time. This results in increasing the licensing turn-around-time. |
| 3. Underdeveloped culture of entrepreneurship | - Youths’ strong preference for safe employment in public organizations over self-employment in business is a major challenge. Further, poor social recognition for entrepreneurs brings down entrepreneurial enthusiasm in youths. |
| 4. Limited access to finance | - CSIs are constrained by limited access to finance. The issue includes: absence of dedicated financing scheme for startups, different financing windows involving different procedure and cost, limited non-bank financing avenues, etc. |
| 5. Poor innovation and low technology adoption | - Lack of capacity to invest in R&D, and use of outmoded technology has led to producing no-competitive products. |
| 6. Labour shortage | - Skilled labour shortage is an impeding factor to increase productivity. Labour shortage results primarily from skill mismatch between CSIs’ demand and labour market supply; and also due to no-competitive rewards and benefits CSIs could afford for the workers. |
| 7. Liberal import regulations and weak fiscal protection measures | - The growth of domestic CSIs is affected by free flow of similar items from across the border at relatively cheaper prices. |
| 8. Poor managerial know-how | - Low academic qualification among CSI entrepreneurs and lack of soft skills in business management. |
| 9. Shortage of business infrastructure | - Inadequate infrastructures like business incubator, storage and warehouses, industrial estates too have bearing the prospect of CSI development. |
| 10. Lack of accredited third party certification body | - Absence of accredited third party certification is a major impediment to certifying CSI products that ultimately hampers market access. |

# RATIONALE FOR THE FLAGSHIP PROGRAM

This Flagship program comprises of two major components: The Startup Program and CSI Development Program. These two programs were merged on the logic that industrial development is a process that involves enticing people to take up entrepreneurship in the first place, nurture ideas through various programs; and in the second place, to provide support and facilitate growth once the idea is launched in the commercial world. Thus, the two programs taken up jointly as Startup and CSI flagship.

Since CSI is driver of socio-economic growth, following are some of the important reasons why CSI development is adopted as a flagship program in the 12th FYP:

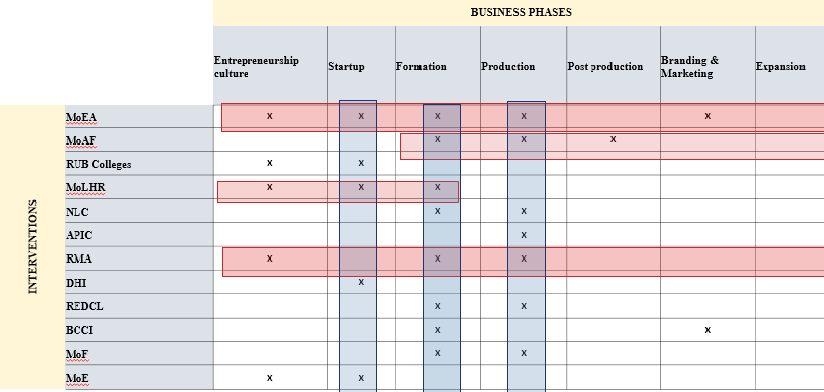
* First, the country’s rich and sustainable natural resources on one hand, and high demand for brand Bhutan in the international market on the other hand, provide a feasible and conducive environment for building a strong and vibrant CSI base. The current major export of agricultural, forest and mineral products that go in raw or semi-processed form at relatively cheaper prices can be manufactured into high-end products.
* Second, given the fact that more than 95% of total industry is CSI, they will form the bedrock for private sector dynamism, and contribute to the achievement of promoting private sector as the engine of economic growth.
* Third, the 12th FYP marks culmination of Bhutan’s status as a ‘Least Developed country’. While it has passed two of the three graduation criteria (GNI per capita and Human Asset Index), the Economic Vulnerability Index is far below the threshold, primarily due to narrow economic base and high dependency on external trade. A vibrant CSI base will therefore, provide a strong foundation for reducing the vulnerability (through economic diversification), and also sustainable source of income, and thus contribute to sustaining middle income status in the foreseeable future.
* Fourthly, a vibrant CSI sector will contribute to addressing a myriad of other socio- economic issues such as rising rural-urban migration, looming youth unemployment and its related issues, poverty, etc.

Considering the above advantages and potential benefits, the sector merits focused development approach.

# DISTINCTIVE FEATURES OF THE FLAGSHIP PROGRAM

Since CSI development is a cross-cutting activity, lack of coordination among stakeholder agencies adversely affects its growth and development. A diagnostic study of the current support programs provided by different stakeholders found that current development

approach lacks the needed coordination. Each agency takes up one or two activities in silos, which provides little value in the overall business development, and at times largely overlaps in one or two business phases; while there are no supporters in other phases. Thus, flagship program is designed to provide holistic support covering the entire business phases and whole of entrepreneurship ecosystem.



*Diagnostic study of the business development support*

The important features that distinguishes flagship from the normal plan include:

# Collaborative and whole of government approach

The flagship program has on board all the relevant stakeholders supporting Startup and CSI development. They include government agencies (MoLHR, MoEA, MoAF, MoFA, MoF, GNHC, NSB, BSB, APIC), financial institutions (represented by RMA), the private sector (represented by BCCI), academia (represented by RUB). Unlike under the normal plan, each agency is tasked with specific role towards enhancing a particular domain of the entrepreneurship ecosystem and providing support in a specific area of business phase, and allocated budget thereof.

# End-to-end support

End-to-end support is one of the success factors in any development project. Although various support programs exist in CSI development, they proved less effective because of the lack of coordination among stakeholders. Taking this into account, the principle of ‘Division of Labour’ is adopted among stakeholders under the flagship program, to ensure neither overlapping nor lacking occurs along the CSI business development phase

- development of entrepreneurship culture, accelerating startup, business formation,

production, post production, marketing, and up scaling. Thus, provision of end-to-end support is an important element of the flagship program.

# A definitive platform for linking startups and CSI development

Although startup and CSI development requires promotion as a single package, the mandate was shared between two agencies - MoLHR and MoEA respectively. MoLHR concerned primarily on stimulating startup through programs like entrepreneurship training, while MoEA focuses on the growth of licensed and existing CSIs. This created a transitional gap resulting in many startups dying before they could join the mainstream CSI.

Recognizing this ineffective approach, the two programs are merged under this flagship program with an aim to bridge the gap and enable startups to segue into the mainstream CSI and benefit from CSI development program.

# OBJECTIVE

1. To promote high-growth potential CSIs that can graduate to become homegrown champions and find a niche in the regional and international markets.
2. Using inclusive growth strategy, to bring the remaining CSIs into the economic mainstream so that they also can contribute to the overall economic growth.

# KEY OUTPUTS

The following are the key output expected of the flagship program:

* Two dedicated CSI product outlets outside Bhutan
* A vibrant Startup/ incubation centers in TTIs, RUB colleges and within the Industrial Park of Samtse and Mongar Dzongkhags.
* 21 products upscaled, diversified and exported
* Standards, Certification and Brand Bhutan developed and implemented
* National level CSI fair institutionalized
* Integrated logistics arrangements instituted

# TARGET

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Target 1** | **Target 2** | **Target 3** | **Target 4** | **Target 5** |
| Value addition for 21 selected  products | Support 746 CSIs [new/existing] | Impact 3320 youths | Generate 2000 employment | Promote 10 CSI products for import  substitution |

# Target 1: Value addition for 21 selected products

One of the primary goals of promoting CSI is to create another reliable sector that could ensure sustainable socio-economic development of its own. Towards this end, promotion of high-growth potential firms is a critical factor.

Under this flagship program, 21 products, from different resource base are identified as high growth-potential and to be promoted. The products were selected based on:

* Their potential to catch up export market or substitute import, in the current market scenario; and
* Domestic resources available to ensure sustainable production (resource inventory).

|  |  |
| --- | --- |
| **A. Agro based products** | **Focal Agency** |
| 1. Herbal Tea/drinks | DCSI |
| 2. Honey and honey by products | DAMC |
| 3. Essential oil products | DAMC |
| 4. Vegetables and fruits (Value added) | DAMC |
| 5. Dairy, including processed dairy products | DAMC |
| 6. Cereals, including rice products | DAMC |
| 7. Buckwheat products | DAMC |
| 8. Cardamom products | DAMC |
| 9. Floriculture | DCSI |
| 10. Potato products | DAMC |
| **B. Wood-based products** | **Focal Agency** |
| 11. Handmade paper | DCSI |
| 12. Incense | DCSI |
| 13. Integrated wood industry | DCSI |
| 14. Bamboo products | APIC |
| 15. Wooden products *[toys, carvings, turning]* | APIC |
| **C. Mineral-based products** | **Focal Agency** |
| 16. Ceramic products | DCSI |
| 17. Pencil | DCSI |
| 18. Bricks and hollow blocks | DCSI |
| **D. Handicrafts** | **Focal Agency** |
| 19. Natural dye textile products | APIC |
| 20. Traditional souvenirs | APIC |
| 21. Textile products | APIC |

*List of 21 selected products*

Although most of these products exist in the domestic market, they are commercially not viable due to limited production scale, lack of standard, required certifications, and brand. The flagship will therefore, focus on scaling up the existing production firms, diversify products, standardize, certify, and brand so as to ensure smooth sailing in the export market or substitute import of similar items from outside.

The products are divided among 3 agencies for the purpose of promotion as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Agency** | **2019 - 2020** | **2020 - 2021** | **2021 - 22** | **2022 – 23** | **Total** |
| DCSI | 1. Incense 2. Bricks and Hollow blocks 3. Herbal tea 4. Floriculture | 1. Handmade paper 2. Pencil 3. Ceramic 4. Integrated wood products | - |  | **8** |
| APIC | 1. Bamboo products 2. Wood products 3. Natural dye textile products 4. Traditional souvenir 5. Textile products |  |  |  | **5** |
| DAMC | 1. Honey and honey by products, 2. Essential oil products, 3. Vegetables and fruit 4. Dairy products 5. Rice products, 6. Buckwheat products, 7. Potato products, 8. Cardamom products |  |  |  | **8** |
| **Total** | **17** | **4** |  |  | **21** |

The respective agencies will implement product specific and end-to-end support interventions necessary for producing these products at a commercially viable scale and quality.

# Target 2: Support 746 CSIs

Besides the above 21 products, the remaining CSIs shall also be brought into the economic mainstream so that they can also contribute to the overall economic growth. A total of **746 CSIs,** including both new and existing are to be supported to stimulate their productivity and growth. The focused CSI group under this include winners of the Bhutan Enterprise Award

- a program held every year for recognition of best performing entrepreneurs, Cooperatives/ Farmers Group, CSI clusters, Beneficiaries of Rural Industry Development Scheme - a scheme that provided core equipment/machinery for setting up CSI businesses in rural areas, Incubates at Changzamtog Startup Center and Youths trained in entrepreneurship under the startup programs.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Number of existing**  **entrepreneurs** | **Number of new**  **entrepreneurs** | **Focal**  **Agency** |
| Bhutan Enterprise Award winners | 21 | 20 | DCSI |
| Cooperatives / Farmers group (4382 members) | 156 |  | DAMC |
| CSI clusters (926 members / households) | 24 |  | APIC |

|  |  |  |  |
| --- | --- | --- | --- |
| Industries Development Scheme beneficiaries | 104 |  | DCSI |
| Startup Center, Changzamtog |  | 77 | DCSI |
| Youths through the startup training programs  of MoLHR |  | 264 | MoLHR |
| Others | 80 | | DCSI |

# Target 3: Impact 3320 youths

Over the next 4 years’ period, a total of 3320 youths will be touched upon by various programs designed to stimulate and promote business startups. From this total, at least **264 new startups** are anticipated to venture into mainstream CSIs. All the Startup programs will be lead by Entrepreneurship Division of the Ministry of Labour and Human Resources. Any IT related ideas shall be taken up by DHI for grooming.

|  |  |  |
| --- | --- | --- |
| **Activities** | **Youth** | **Focal Agency** |
| Startup Innovation Week program | 800 | MoLHR |
| Startup Hackathon competition | 400 |
| Startup Entrepreneurship training program | 1320 |
| Vibrant Bhutan Grand Challenge on Innovative Solution | 600 |
| International Business Idea Competition | - |
| Student Business Seedling | 200 |
| Business Incubation Centre | **-** |
| Fablab through TTIs, IZCs, Colleges | **-** |
| **Total** | **3320** |

# Target 4: Generate 2000 employment

*Employment Targets with yearly break-down.*

Over the period of four years of the Startup and CSI Development Flagship program, a total number of 746 CSIs will be supported to generate a total employment of 2000.

The employment target is based on two parameters i.e. out of the 746 CSIs, 385 existing CSIs will generate an additional of 2 employments each and 361 new CSIs will generate 4.5 new employees each, which sums up to a total of 2000 employments created from 746 CSIs.

Likewise, a total of 5308 members from 156 Farmers Group/Cooperatives and 24 CSI clusters will be benefited through the flagship program.

The employment targets with yearly breakdown are as shown below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Number of CSIs** | **Average employment rate** | **Yearly employment** | | | | **Total** |
| 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| Existing CSIs | 385 | 2 additional | 192 | 192 | 193 | 193 | 770 |
| New CSIs  (startups) | 264 | 3 | 198 | 198 | 198 | 198 | 792 |
| New CSIs | 97 | 4.5 per CSI | 108 | 108 | 108 | 112 | 437 |
| **Grand Total** | | | | | | | **2000** |

*Strategies and Action Plan*

Like in most parts of the world, CSIs in Bhutan are an important economic sector as they play an important role in terms of employment generation, community vitalization, balanced regional development, curbing rural-urban migration etc.

As of May 2019, CSIs employed 84,824 people. The employment figure is inclusive of the owner of the business and includes only full-time paid Bhutanese employees. In order to realize the above employment target of 2000, the Flagship Program has the following strategies and action plans in place:

*Up-scaling of existing CSIs*

The existing CSIs will be supported and promoted through provision of the various Business Development Services like soft and hard skills trainings and through provision of core equipment and machines which are essential for the CSIs to diversify, enhance their quality, competitiveness and conformity standards and expand their business. The flagship program will provide support to 385 existing CSIs.

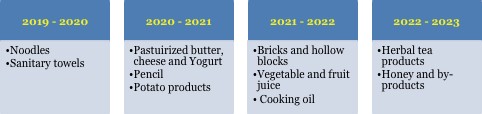
|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Activities/Strategies** | **Target CSIs** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **Additional Employment**  **Generated** |
| Bhutan Enterprise Award | 21 | 5 | 5 | 5 | 6 | 42 |
| Skills development Program | 80 | 20 | 20 | 20 | 20 | 160 |
| Industrial Development Scheme | 104 | 26 | 26 | 26 | 26 | 208 |
| 156 Cooperatives / Farmers group  (4382 members benefitted) | 156 | 39 | 39 | 39 | 39 | 312 |
| 24 CSI clusters (926 members  benefitted) | 24 | 6 | 6 | 6 | 6 | 48 |
|  | **385** |  |  |  |  | **770** |

*Establishment of new CSIs*

The establishment of new CSIs has direct correlation to the number of employment generation. The potential entrepreneurs with viable business ideas from Startup Center and startup training programs etc. will be provided with essential support (whole of entrepreneurship ecosystem) to generate absolute employment of 1230 from 361 new CSIs.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **Activities/Strategies** | **Target new**  **CSIs** | **2019-20** | **2020-21** | **2021-22** | **2022-23** | **Total employment Generated** |
| 1 | Bhutan Enterprise Award | 20 | 5 | 5 | 5 | 5 | 90 |
| 2 | Start up center | 77 | 19 | 19 | 19 | 20 | 347 |
| 3 | 264 startups from 3320  youths impacted | 264 | 66 | 66 | 66 | 66 | 792 |
|  |  | **361** |  |  |  |  | **1230** |

# Target 5: Promote 10 CSI Products for import substitution

Following are the 10 CSI products identified for promotion over the period of next four years:

Under the Flagship program, 10 CSI products have been identified as high potential for import substitution and will be promoted intensively over a period of four years. The products were selected based on the following criteria’s but not limited to:

1. Potential to substitute import in the current market scenario;
2. Domestic resources available to ensure sustainable production;
3. Selected from the list of 21 products identified under Flagship program with high growth potential for value addition;
4. The import value for above products has been increasing over the years as per Trade Statistics;
5. The products having more local demand with low economies of scale;
6. Startups are already involved with the prototype products and thus it would be convenient for the department to intervene.

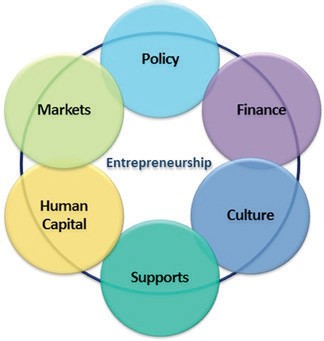
# Strategies/Interventions

The diversification of products is essential to gradually substitute imports and largely depend on the various government interventions. Hence, through flagship programme, existing CSIs will be up-scaled and facilitate establishment of new enterprises. The interventions could be product specific as well as general interventions.

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. #** | **Interventions** | **Budget** | **Agency Responsible** |
| 1 | Market penetration: awareness and promotional activities  in the Dzongkhags/Dungkhags/Thromdeys | - | DAMC, MoEA MoAF, DRC, MoF & DCSI, MoEA |
| 2 | Capacity development: Trainings on product  diversification/packaging/labeling/designing/pricing |  |
| 3 | Economies of scale & quality enhancement: machinery/  equipment/tools supply |  |
| 4 | Protective measures for domestic producers in consistent  with existing trade agreements |  |

# APPROACH

The growth of CSI is driven by six intertwined domains dubbed as ‘entrepreneurial ecosystem’. The main domains are regulatory environment, culture of entrepreneurship, access to finance and incentives, human capital, infrastructure, and market access. It is suggested that all these domains must be enhanced simultaneously as shortcomings in any one of them will prevent CSIs from reaching their full potential.



*Six domains of entrepreneurship*

A diagnostic study of the current interventions along the ecosystem revealed lack of support in some of the domains, while there are overlapping and duplications in others. This situation has been a major impediment for the growth of CSIs.

Thus, considering the current business environment, the flagship program has designed interventions to address challenges present in each of the domains.

# STRATEGY

* **Scale up the existing CSIs**

As mentioned earlier, most of the products mentioned here are already in the local market, but in premature form. Their production and market are affected by factors such as the use of outdated technology, poor labelling, lack of standard and certificate, managerial know-know, and a host of other minor challenges. This has rendered most CSIs commercially unviable from the point of competitiveness and production capacity.

Taking these issues into account, the flagship program will provide support to producers of the 21 selected products and 746 CSIs for making their products commercially viable.

# Facilitate establishment of new units

The establishment of new firms is important for increasing product competitiveness, creating employment opportunities, and production volume. Therefore, potential entrepreneurs will be extensively sensitized on available support services, facilitations and incentives under the flagship program, and encourage them to come up with viable business ideas.

# INTERVENTIONS

Against the backdrop of major challenges facing CSIs sector, the program is equipped with two-pronged interventions:

# Product-specific intervention

This intervention is targeted to promoting the 21 selected products. Each of the 21 products are to be studied in detail - production process, technology in use, human resource capacity, distribution process, etc. to find out bottlenecks that prevented them from realizing their full potential. Once the problem is uncovered, a customized support will be provided to address the particular problem.

# General intervention

The general intervention is aimed at enhancing the overall ecosystem and creating a conducive environment for growth of CSIs. The interventions therefore, revolve around six strategic domains of the ecosystem.

|  |  |  |
| --- | --- | --- |
| **Sl. No** | **General Interventions** | **Agency** |
| **1** | **Domain 1: Entrepreneurship culture** |  |
| 1.1 | Strengthening of Startup Center, Changzamtog | DCSI |
| 1.2 | Establish incubation centers within the industrial estates of Samtse and  Mongar | DCSI |
| 1.3 | Establish incubation centers and digital fabrication lab within TTIs and  Colleges | DoEHR |
| 1.4 | Startup Entrepreneurship trainings programs and events | DoEHR |

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| **2** | **Domain 2: Legal and policy framework** |  |
| 2.1 | Revise CSMI policy, formulate strategies and action plan | DCSI |
| 2.2 | Baseline study for contribution of CSI to GDP | DCSI, NSB, DRC |
| 2.3 | Identify and institute support measures for informal sector in each  Dzongkhag | DCSI |
| 2.4 | Create a forum for public private dialogue for CSIs | DCSI |

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| **3** | **Domain 3: Access to finance and incentives** |  |
| 3.1 | Incorporate the 21 identified products in the priority list for financing | DCSI, RMA |
| 3.2 | Explore credit sources for CSIs such as crowd funding and JAB CHOR (Angel investor), and DHI BizAPP, Loden Foundation and financing from CSI Banks and Financial Institutes and government and  non-goverment grants | RMA |
| 3.3 | Review Fiscal Incentives to incorporate the needs of the 21 identified  products’ producers | DCSI, DRC, DAMC |

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| **4** | **Domain 4: Human capital development** |  |
| 4.1 | Target critical skills capacity development training for entrepreneurs | DCSI |
| 4.2 | Strengthen CSI clusters | APIC |
| 4.3 | Strengthen development of Cooperatives and Farmers Group | DAMC |

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| **5** | **Domain 5: Market access** |  |
| 5.1 | Develop product standards and certification | BSB |
| 5.2 | Develop and implement Brand Bhutan | DOT |
| 5.3 | Market infrastructure and Market Linkage | DCSI, DAMC |
| 5.4 | Establish dedicated CSI marketplace | DCSI |
| 5.5 | Preferential procurement of CSI products | DCSI, PPPD |
| 5.6 | Setup 2 dedicated outlets outside Bhutan | DCSI, MFA |
| 5.7 | Product mapping of each Dzongkhag | DCSI |
| 5.8 | Raw material bank | APIC |

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| **6** | **Theme 6: Business development support** |  |
| 6.1 | CSI development schemes | DCSI, DAMC |
| 6.2 | Promote flagship programs | DCSI |
| 6.3 | Develop blueprint and technology database for CSIs | DCSI |

*General Interventions*

The government will only play the role of facilitator and catalyst, and create an enabling environment required for CSI development. But the actual action plan will be driven by the private sector. The programs will be monitored, evaluated and fine-tuned to optimize their outcomes.

# IMPLEMENTATION MODALITY

Considering the number of CSIs to be supported and intensiveness of the support required, the pragmatic approach is to stratify them and spread activities over 4 years. The products/ CSIs to be supported are divided among relevant stakeholders based on the match between CSI’s activity and agency’s mandate. Each agency will support specific number of CSIs each year.

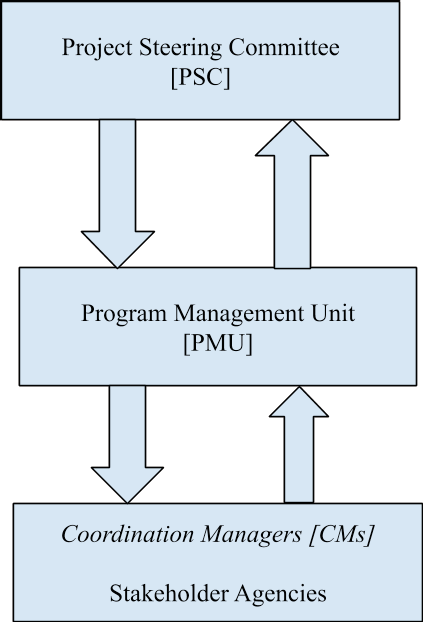
# INSTITUTIONAL ARRANGEMENT

In view of the broad scope and mandate of the flagship on CSI development, a three tier institutional arrangement is adopted to manage the flagship program.

At the macro level, the Flagship Program will operate under the Program Steering Committee chaired by Secretary, MoEA and represented by major stakeholders [DCSI, DNB, DoEHR, GNHC, DAMC, DoT, APIC, BSB and BAFRA]. The Committee will oversee the overall implementation of the flagship program.

At the meso level, a Program Management Unit [PMU] will be instituted under lead agency, DCSI. The Unit will comprise of one Program Manager from the lead agency and 3 coordination officers each divisions ( Programming Division, Small Business Promotion Division, and Enterprise Development Division) supported by Administrative Assistant and Engineers. Under the guidance of the Steering Committee, the Unit will carry out planning and coordination of the activities and work closely with the implementing agencies.

At the micro level, individual TWG member will act as a Component Manager [CM] to coordinate activities in the respective agencies. The CMs will be the focal official working in close consultation with the PMU.



*Institutional arrangement*

# Establishment of Program Management Unit (PMU)

As stated earlier, the Program Management Unit (PMU) will be established under DCSI, MoEA as the lead agency for implementation of Startup and CSI Development Flagship Program. The PMU shall be headed by Program Manager (Chief of Programming Division) and shall comprise program coordinators (SBPB, EDD & PD), Administrative Assistant, Program Accountant, and Program Engineer. The PMU will be assisted by Component Managers appointed from respective Implementing Partners. The PMU will carry out the responsibilities related to planning and coordination of the activities and work closely with the implementing agencies. The unit will also be responsible for reporting to and seeking guidance from PSC.

For institution of PMU and implementation of the various activities under FSP, the total amount of Nu. 6.70 million is proposed over a period of 4 years.

The estimated cost for establishment of PMU & operational cost as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl #** | **Particulars** | **Estimated Cost (Nu. m)** | **Remarks** |
| 1 | Staff recruitment | 2.20 | Administrative Assistant |
| 2 | PMU establishment | 2.500 | Computers, furniture & equipment, office  supplies, meetings & celebration |
| 3 | Awareness programs | 1.500 | Flagship awareness |
| 4 | PMU operational cost | 0.500 | Utilities, office supplies etc. |
| **Total Budget** | | **6.700** |  |

# ACTION PLAN

The approach to enhancing overall entrepreneurship ecosystem and the role of stakeholders in each domain of the ecosystem along with plans, programs, and outlays are described.

# DOMAIN 1: ENTREPRENEURSHIP CULTURE

The promotion of entrepreneurial culture involves two components - infrastructural and skill development.

# Infrastructural Development

* 1. **Strengthening of Startup Center, Changzamtog**

Business incubators are widely used as an effective economic development tool in many developed and developing countries. They serve as multi-tenant facility and provide affordable space and an environment for promotion and growth of small businesses.

Considering constraints that Bhutanese entrepreneurs face today, like access to appropriate infrastructure, lack of innovation and resources to undertake R&D, etc., a business incubator (called as ‘Startup Center in our context’) is established at Changzamtog, Thimphu to encourage ideation and nurture start-up CSIs with growth potential for greater economic development, creation of jobs and inculcation of a culture of entrepreneurship. In specific, the Center is aimed at supporting aspiring entrepreneurs with good business ideas, at the start-up stage by providing space and a conducive work environment – be it through access to business facilities such as IT or through advisory and mentoring by business experts – all with the aim to make the start successful in the commercial world.

The Center is newly established and has the capacity to accommodate 30 incubates per batch. Currently, there are 23 incubates accommodated for 2 years. Being a new structure, the Center requires further strengthening, in terms of facility development as well as building management capacity. The major requirements are:

# Set up Common Facility Center [DCSI - 50 m]

In view of individual incubates’ inability to invest in expensive equipment necessary for testing their idea and business during incubation period, the Center intends to set up a common facility center that will cater to the needs of its incubates. The center will be provided with common facilities such as mixers, grinder, printer, dryer, common packaging machines, labelling, measuring scale, heavy duty photocopier, etc. and even cold storage. The users will be charged a minimal fee for use of those facilities.

# Development and furnishing of existing infrastructure [DCSI - 12 m]

The Center needs to be developed with elevator, false ceiling in two training halls, furnish resource room with photocopier, printers, computers, internet connections, development and beautification of the lobby of the building, etc. These are necessary for creating an environment conducive for startups to develop their ideas and grow.

# Security Services [DCSI - 2.5 m]

Security service is crucial for safeguarding the premises of the center in view of expensive equipment and office items the center has, and rising crime rate, especially theft, in urban areas like Thimphu. In view of this importance, the center has hired the services of Bhutan Elite Security Services to provide 24 hours security services for a period of 2 years. The Company deploys 4 security guards and service charge for each security guard is Nu. 13000 as per the contract agreement signed with them. While their contract expires in August 2020, the Center will be either be renewing or tendering out security services to continue providing service to the Center.

# Establish Startup / Incubation Centers in Samtse and Monggar [DCSI - 120 m]

With an aim to stimulate balanced regional development through CSI-based strategy, the concept of business incubation needs to be replicated in other parts of the country as well to cater the needs of startups there.

Under the flagship program, 2 new incubators (startup centers) will be established that could accommodate around 10 - 15 incubates each, in Samtse and Mongar.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Activities** | **Target** | **Amount** | **Expected Outcome** | **Timeline** |
| 1 | Prepare architectural design and cost estimates for construction 2 business incubation Startup  Centers | one architectural design on construction | 3.00 | Contribute towards the establishment of setting up of two incubation startup Center | 2019-2020 |
| 2 | Construction of 2 Business Incubation Startup centers | Constructed 2 Business Incubation Startup centers | 117 | To provide affordable space and BDS for 20 incubates in two business startup  Centers. | 2020-2022 |

# Establishment of Business Incubation Centers [MoLHR - 60 m]

Under Startup Flagship Program, we proposed minimum 5 incubation centers and 5 Digital Fabrications (Fablab) to have robust creativity and innovation. Incubation centre and digital fabrication lab is interdependent to each other. The Entrepreneurship Division, DoEHR, MoLHR had discussion with Department of Technical Education and Royal University of Bhutan to set up the centres. It will be established in TTIs, IZCs and a College in the FY 2019-20 to 2023-2024.

The Entrepreneurship Division, DoEHR, MoLHR will initiate to have interior design professional consultancy services of the incubation centre and fablab centres. The furniture and fitting will be procured based on the interior design of incubation centre. All the equipment shall be procured for the incubation like computers, projectors, software for 3D designing from the suppliers.

The Business Incubation Management Training Program is designed for business incubator managers and stakeholders. The training program will be delivered by certified facilitators having understanding of business incubator models, how to finance an incubator, monitoring and evaluation, mentoring programs, and more. The training program is designed for face- to-face delivery with each module requiring one day of classroom learning. Before setting up incubation it is necessary to identify very energetic and passionate manager from the college,

TTIs and IZCs and build capacity to run the incubation centre. If the HR is not sufficient from the existing staff of colleges and TTIs & IZCs, the HR can hire on contract basis. The Startup will tie-up with best practices institutes and also provide exposure training to best practices of incubation in ex-country. Budget will be utilized for exposure visits in best practicing international incubation centre, institute training fees, logistic arrangement, event hall, and skill development of incubates.

# Digital Fabrication setup within TTIs, IZCs and Colleges [MoLHR - 75 m]

Digital modeling and fabrication is a design and production process that combines 3D modeling or computing-aided design with additive and subtractive manufacturing. This will help entrepreneurs to develop the prototype with highly sophisticated machines. Currently only Fablab Bhutan has capacity to design, procure, install and run this fablab in collaboration with MIT, USA and Marcantec, VIA University Denmark. There are three types of fablab namely

1. Standard fablab for engineering and technology,
2. Bio fablab for life science and
3. Textible fablab for textile

The Start-up flagship will initiate to establish a fablab each in TTI/IZC and College.

The Fablab has been inevitable in the development of invention and innovation in the country. To put the idea into reality we need Digital fab lab facilities to design the prototype of aspiring entrepreneurs to showcase their products to funding agencies and investors. Therefore, Startup Bhutan shall partner with Fablab Bhutan training program to train Fablab expert for colleges, TTIs/IZCs in Bhutan and also for ex-country study visit. Fablab Bhutan will also partnered with Fab Academy as a fast paced, hands-on learning experience where students learn rapid-prototyping by planning and executing a new project each week, resulting in a personal portfolio of technical accomplishments.

Currently the Entrepreneurship division could not provide any support services for product and service development once the aspiring entrepreneurs completes training program. Due to lack of refined product by the aspiring entrepreneurs most of the participants could not get funding from banks and other funding agencies. Therefore, to support all the start-ups, the flagship need to provide financial support to develop the prototype of products and services to make saleable ideas to the funding agencies which shows aspiring entrepreneurs are serious about their new ideas. Due to this lots of new business idea could not take off. This will be unique selling proposition of the Start-up program. Budget will be utilized mainly to develop prototype products and service during the Start-up week (ideation) and Acceleration program of the business.

The Office of Performance Management, HM Secretariat will be taking over for the implementation of the Fab lab under Startup and CSI flagship along with other one Super Fab and one Standard Fab lab.

# Skill Development

* 1. **Capacity building of DCSI officials, TWG and EDOs [DCSI - 20 m]**

The success of such centers would entirely depend on the capacity of the officials of the Department. Therefore, it is very necessary at the same time to understand the operational modalities of similar Incubation Center/Startup Centre in the regional countries and also understand how structures for such centers are built and its internal designs, facilities & support services provided, etc. to the startups. Trainings, exposure visits, etc. is crucial for the official of the Department, Economic Development Officers and Technical Working Group members of the Flagship to successfully set up new Startup Centers and at the same time effectively and efficiently manage the existing center.

# Institutionalize mentorship program [DCSI - 4 m]

Currently the Startup Center at Changzamtog have about 23 incubates/startups undergoing 2 year Business Incubation Program. One of the main Business Development Services is providing coaching and mentoring services to the incubates/startups to help their ideas develop and grow. The Department will be forming a network of expert mentors from different business fields and also developing a mentorship framework on how to run a business mentorship program thereby institutionalizing mentorship program in the country. International experts will also be fielded in to provide mentoring and coaching services to startups if expertise in the country is not available. Therefore, expenses such as honorarium, allowance, logistics etc. has to be paid to expert mentors for their services.

# Startup trainings and programs

* + 1. **Entrepreneurship Development Training Programs [MoLHR - 37 m]**

Entrepreneurship training will be provided to potential entrepreneurs to stimulate and help them develop their own businesses through appropriate interventions. The training will also stimulate the existing entrepreneurs to improve and/or diversify their businesses with CEFE training methodology.

The core of CEFE is that it helps trainees to develop competencies required for the conduct of business activities, helps to develop their own professional business plan or feasibility study, by adopting action learning/experiential learning methodology in training. There are a number of business games, role-plays, simulations, and field studies etc, which are used as

part of the action learning methodology.

At the end of the training programme, the comprehensive, professional business plan prepared by the trainees themselves on the proposed business venture is forwarded to bankers. One of the salient features of CEFE is that it invites practicing funding agencies at the end of the programme to evaluate business feasibility so that it will help the trainees to know what bankers look for prior to approving loans. The best top 10 participants from each training program will be taken to next stage Startup Acceleration Program. The training program will be outsourced to the relevant private training providers. The proposed budget will be utilized for expert fees, logistic arrangement, event hall rental, and transportation, media coverage, working lunch and stipend for 5630 youth.

# Student Business Seedling program [MoLHR - 6 m]

The Trainer’ Manual on Student Business Seedling (SBS) Program is developed for school teachers to help students explore the world of entrepreneurship and potentially help them start businesses as an alternative career opportunity. The training manual is developed for a total of 14 days and divided in two phases. Phase-I is allocated 8 hours or 1 day session with the objective to provide a brief introduction to entrepreneurship to all the students. Schools must invite successful youth entrepreneur/s from the locality for inspirational talk so that students feel motivated. At the end of the session interested students should be distributed one page business idea competition form as a screening tool to enter for the Phase-II of training programme. The school may then choose to screen and select any number of students for the Phase-II as per their need or resource availability. All required materials will be provided in the SBS manual.

The Phase-II of the training is for 112 hours boot camp. The objective of the boot camp is to help selected students to develop their business ideas through hands on learning by doing activities. The SBS manual is based on a mix of CEFE based curriculum and Lean Startup Methodology. By the end of the boot camp workshop participants would have developed 1-5 page business plan, a working prototype and a pitching deck and a final business idea pitching session. The boot camp can be preferably be organized during summer and winter vacation.

Further to the Trainer’s Manual for SBS Programme teachers will also be provided Training of Trainers session, mentoring guidelines and way forward to sustain the programme within schools by establishing incubation centers and linking with entrepreneurship promotion agencies in the country as a part of acceleration programme. The best top 10 participants from each event will be taken to next stage Startup Acceleration Program. Budget will be utilized on expert fees, logistic arrangement, event hall rental, media coverage, working lunch and prizes for 5 participants per events.

# Micro-works and online freelancing [MoLHR - 3.50 m]

Micro-work and online freelancing provide ample opportunities for college youth and job seekers to earn income provided they are given the right knowledge and skills. Some youth pursue freelancing as a part time as well as future career. Given the grave unemployment situation in the country, especially the youth unemployment, the DoEHR, MoLHR proposed to train around 160 college youth for the FY 2019-20. The proposed budget will be used for expert fees, working lunch awareness program, and to support for the purchase of equipment for freelancing.

# TOT on New Business Creation [MoLHR - 8.50 m]

The capacity building for all the facilitators is necessary due to change of time and methodology. One of the methodologies used is CEFE which CEFE stands for Competency based Economies, Formation of Enterprise. It is an entrepreneurship training concept for small and medium scale enterprise promotion, developed and promoted by the German Technical Cooperation in late 1970s. CEFE is targeted at promoting new business start-up; expansion, diversification or improvement of existing businesses; and training of trainers and officers involved in business promotion.

At the core of the CEFE program is the action learning methodology where participants play an active role in simulation exercises, role-plays, field studies and experience sharing. There is a minimum of lecture and a maximum of experiential and action learning exercises. The uniqueness of the CEFE training methodology is that the facilitators do not spoon-feed the participants; rather, the participants themselves derive the learning points of the various training activities and internalize their application.

The target group is those who have a passion to deliver entrepreneurship program with focus to EDP focal persons. We need to develop capacity for private training providers as EDP will come as a package in any training outsourced by the ministry. The TOT shall be delivered by certified licence facilitators. The budget will be utilized for expert fees, logistic arrangement, event hall rental, training materials media coverage, working lunch and DSA.

# Entrepreneurship Curriculum development for Entrepreneurship Education (MoLHR-2 m)

Entrepreneurship education is about personal development, creativity, self-reliance, initiative taking, action orientation geared toward becoming entrepreneurial. The overall goal of entrepreneurship education is to give learners the knowledge, skills and attitudes to act in an entrepreneurial way. It entails opportunity identification, business development, self- employment, venue creation and growth. Entrepreneurship is a key driver of the economy and learners should study this learning area because of the following reasons:

* Learners need skills that will allow them to make their own way
* Learners need more opportunities for creativity, innovation, and collaboration
* Learners need to learn how to identify problems or needs before they learn problem- solving skills
* The world needs learners who are looking to make a difference

The students should be able to learn Entrepreneurship Education in the following components

1. Knowledge
2. Skills
3. Attitudes
4. Values

The entrepreneurship education need to introduce from primary level to tertiary level as integrated subject till Key Stage III and stand alone subject from Key Stage IV.

1. Key Stage I (Class PP-III) - Introduction to Basic Entrepreneurship
2. Key Stage II (IV-VI )- Competency Awareness
3. Key Stage III (VII-VIII) - Creative Application
4. Key Stage IV (IX-X) - Startup
5. Key Stage V (XI-XII) - Growth

To implement Entrepreneurship Education as reflected in Bhutan Education Blueprint of Ministry of Education, this Cottage and Small Industry and Startup Flagship in particular the MoLHR shall be working closing with Royal Education Council to develop curriculum.

# Entrepreneurship Education Capacity Development (MoLHR - 6 million)

Once the Entrepreneurship Education curriculum is developed the capacity development of teachers should be carried out. The flagship, specially the Startup component shall will work with Royal Education Council for implementation of Entrepreneurship Education curriculum in Schools. The capacity development should be carried yearly to the teachers.

# Startup Events

* + 1. **Startup Innovation Tech week on lean startup launch pad [MoLHR - 11 m]**

Start-up Launchpad on Lean startup boot camp is innovative technology idea generation, hands-on experiences where entrepreneurs and aspiring entrepreneurs can find out if

technology start-up ideas is viable or not. Beginning with idea pitches on Sunday; attendees bring their best ideas and inspire others to join their team. Over Monday to Friday teams focus on customer development, validating their ideas, practicing lean start-up methodologies and building a minimal viable product and demonstrate their prototypes and receive valuable feedback from a panel of experts. Target groups are any passionate persons who want to explore their innovative ideas can walk in for the pitch. 8 boot camps are targeted across the country with the technical support from Seedstars, Swiss based company who has global presence and expertise since 2012. Its mission to impact people’s lives emerging markets, through technology and entrepreneurship. Seedstars connects stakeholders within ecosystems, builds companies from scratch and invests in high growth companies through a range of initiatives including scouting, company building, co-working hubs and acceleration programs. The group has a network of entrepreneurs, investors, incubators, corporations and government organization from more than 80+ countries. Budget will be provided as package to cover expert fees, mentor fees, airfare of experts, training materials, logistic arrangement, event hall rental, media coverage, prizes of winners and working lunch. The program shall be cover Lean Startup Launchpad, Seedstars Thimphu, Product/Market Fit Bootcamp.

# Vibrant Bhutan Grand Challenge on Innovative Solution [MoLHR - 7 m]

Grand Challenge is a competition that harnesses science, technology, and innovation to solve important national or global problems that have the potential to capture the public’s imagination. A growing population can embrace technology and innovation to improve access to the globalised world, increase revenues, and decrease costs of production and general lifestyle enhancements. Grand Challenge seeks for innovative solutions that address the problems of Bhutan– AgriTech, FinTech, HealthTech, EdTech, CleanTech, Women Centric Solutions, Manufacturing & Production, Tourism, and Governance.

To keep the ‘Startup Movement’ going, a three-day event to provide full experiential learning and networking for start-ups and aspiring entrepreneurs will be held on an annual basis. As a platform for innovators and entrepreneurs from across the country to meet and interact, the event will include a notable line of expert speakers addressing on a range of challenges and doubts related to entrepreneurship. The focus is on technology as a catalyst for entrepreneurship. In addition, selected startups will also be provided an opportunity to pitch their business plan to the investors at the Vibrant Bhutan Grand Challenge Innovative Solution event. The program will be organized as an annual event that will be open competition to all the citizens. The best top 5 participants will be taken to next stage Startup Acceleration Program.

The budget will be utilized on expert fees, logistic arrangement, training materials, event hall rental, media coverage, working lunch and prizes for 200 participants.

# Startup Hackathon Challenge [MoLHR - 7.50 m]

A hackathon (also known as a hack day, hackfest or codefest) is a design sprint-like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers, and others, often including subject-matter- experts, collaborate intensively on software projects. The goal of a hackathon is to create usable software or hardware with the goal of creating a functioning product by the end of the event. Hackathons tend to have a specific focus, which can include the programming language used, the operating system, an application, an API, or the subject and the demographic group of the programmer. In other cases, there is no restriction on the type of software being created.

The proposed budget will be utilized for expert fees, logistic arrangement, training materials, event hall rental, media coverage, working lunch and prizes. This program targets to young IT graduates.

# International Business Idea Competition [MoLHR - 7 m]

The International Business Competition is the largest lean startup competition in the world. The competition’s primary aims to educate and inspire smarter entrepreneurs who launch ventures that are more successful.

The innovative and competent entrepreneurs shall be selected to participate in regional Seedstars Asia Summit & Seedstars Global Summit, Switzerland, Global International Business Model Competition and Global Innovation in Science and Technology in USA is a unique startup competition focused on the inputs, not outputs, of the entrepreneurial process. The competition requires active identification and validation of crucial business model hypotheses rather than the writing of a static business plan, talking to customers outside the building rather than gathering secondary data inside the building, applying customer development rather than relying on product development, and “pivoting” or changing course rather than executing on the plan.

Ultimately we believe this new approach will improve the success rate of new ventures, allowing entrepreneurs to save both time and money in the process. The IBMC is open to all students enrolled at an accredited institution of higher education anywhere in the world. Each year thousands of student teams from hundreds of schools all over the world participate. The program shall be carried out in collaboration with Royal Thimphu College for Mekong Business Challenge and US Department of State for Global Innovation in Science and Technology and Lean Startup Launchpad and Seedstars Thimphu with Seedstars company as they don’t local representatives. The best top 5 participants from each event will be taken to next stage Startup Acceleration Program.

Budget will be utilized on expert fees, logistic arrangement, airfare, event hall rental, media

coverage, working lunch and prizes and also to support participants who are participating at international level.

# Promotion and Networking [MoLHR - 8 m]

Promotion and networking both in country and ex-country have to be carried out for a vibrant start-up support by NGO, Government and CSO. The networking will be done mostly by creating linkage with good practitioner of start-up and entrepreneurship like CEFE International, Germany; Seedstars, Switzerland; National Business Incubation Association of America, Wework, Springboard, Global Entrepreneurship Congress, Global Innovation in Science and Technology, USA and other promotional activities:

* International networking/linkages
* Global Entrepreneurship Week/ Global Entrepreneurship Summit is conducted to provide platform to the entrepreneurs to meet and showcase their business ideas, products and also fosters creativity, innovation and entrepreneurship among
* Young Entrepreneurs award is conducted to provide a platform to showcase and celebrate their success

The budget will be utilized to support officials and participants who are taking in the events.

# Start-up Acceleration program [MoLHR - 10.50 m]

Startup Acceleration Programme will enroll all the selected best ideas from Startup Innovation Tech week, CEFE Entrepreneurship boot camp, Hackathon, Business Idea Generation competition, Vibrant Grand Challenge Innovative Solution, STEM Olympiad, Skill competition, International Business Idea Competition and Business Research for acceleration program for the period of critical 90 days and also organized cohort base program. Startup Accelerator will help to set up team. Startup Accelerator will have an intensive three months program that gives team the tools and mentorship needed to navigate the early stages of building a startup. Startups accepted into the program will attend a 5 days session once a week every month for the duration of 3 months.

Through a structured approach of group discussions, mentor sessions and pre-work deliverables, a team or an individual will be equipped with the skills needed to validate their business ideas, a customer development strategy, a completed market and competitive analysis, a minimum viable product (MVP), and an investor-ready pitch deck. After the team or an individual has successfully undergone Startup Accelerator program and demonstrated their readiness to start their business will be provided with access to a number of value-added resources by the Startup Accelerator program. Approximately 300 aspiring entrepreneur’s idea will go through rigorous accelerating program and by the third month the products/

services will be finally launched in the market. The budget will be utilized for expert fees, logistic arrangement, and event hall rental, media coverage, working lunch and networking and mentoring.

# Product/service prototyping support [MoLHR - 13 m]

Currently the Entrepreneurship division could not provide any support services for product and service development once the aspiring entrepreneurs completes training program. Due to lack of refined product by the aspiring entrepreneurs most of the participants could not get funding from banks and other funding agencies. Therefore, to support all the start-ups, Startup Bhutan need to provide small grants to develop the prototype of products and services to make saleable ideas to the funding agencies which shows aspiring entrepreneurs are serious about their new ideas. Due to these lots of new business idea could not take off. This will be unique selling proposition of the Start-up program.

The proposed budget will be utilized mainly to develop prototype product and service during the Start-up Acceleration program.

# Business Incubation Management capacity development for trainers (MoLHR - 8 m)

The Business Incubation Management Training Program is for business incubator managers and stakeholders. The training program will be delivered by certified facilitators having understanding of business incubator models, how to finance an incubator, monitoring and evaluation, mentoring programs, and more. The training program is designed for face-to- face delivery with each module requiring one day of classroom learning. Before setting up incubation it very necessary to identify very energetic and passionate manager from the College, TTIs and IZCs and build capacity to run the incubation centre.

The Startup will tie up with best practices institutes from ex-country training like World Bank and provide exposure training to best practices of incubation. Budget will be utilized for visits, institute training fees, logistic arrangement, event hall, and skill development of incubates.

# Skill Development for under Business Incubation centers trainees (MoLHR - 25 m)

Startup component of this flagship shall provide financial support to run business incubation centre to facilitate aspiring entrepreneurs to turn ideas into real products. Incubation Manager shall select the best ideas from regular entrepreneurship course and also local community to have access to incubation centre and provide access to finance, marketing, and skill development for the incubates.

# Digital Fabrication (Fablab) capacity development for trainers (MoLHR-6 m)

Digital modeling and fabrication is a design and production process that combines 3D modelling or computing-aided design with additive and subtractive manufacturing. This will help entrepreneurs to develop the prototype with highly sophisticated machines. Currently only Fablab Bhutan has capacity to design, procure, install and run this fablab in collaboration with MIT, USA and Marcantec, VIA University Denmark. There are three types of fablab namely standard technology fablab for engineering and technology, Bio fablab for life science and Textible fablab for textile. The Start-up flagship will initiate to establish a fablab each in TTIs and IZCs and Colleges. As there is very limited number of Fablab trainers in the country, Startup flagship shall develop capacity for trainers which shall further train the trainees of the fablab in TTIs, IZCs and Colleges. As this is very technical we need to invest more on the capacity development of trainers in collaboration with MIT, USA and other regional experts.

# Skill Development on Digital Fabrication (Fablab) for trainees (MoLHR-19 m)

Currently the Entrepreneurship division could not provide any support services for product and service development once the aspiring entrepreneurs completes training program. Due to lack of refined product by the aspiring entrepreneurs most of the participants could not get funding from banks and other funding agencies. Therefore, to support all the start-ups, Startup flagship need to provide financial support in skill on development of the prototype of products and services to make saleable ideas to the funding agencies which shows aspiring entrepreneurs are serious about their new ideas. Due to this lots of new business idea could not take off. This will be unique selling proposition of the Start-up program.

The proposed budget will be utilized mainly to develop prototype products and service during the Start-up week (ideation) and Acceleration program of the business and other free time.

# DOMAIN 2: LEGAL AND POLICY FRAMEWORK

* 1. **Revise CSMI Policy, formulate strategy and action plan [DCSI - 1.50 m]**

The revision of the CSMI policy 2012 is deemed necessary and timely as per the sunset provision which states that the overall policy framework is until 2020. Further, while implementing the CSMI Policy, different ministries and agencies devised numerous interventions geared towards CSIs development. However, the growth of the sector has not been dynamic and produced mixed results.

Moreover, the CSMI Policy 2012, being the first policy drawing from the overall industrial development strategies of the past had elements that relates to not only CSIs but also “Medium industry” development, thus diverting resources and commitment required for the CSIs development. The Policy took a “one size fits all” approach whereby regulations designed for

Medium and Large industries were automatically applied to CSIs without due consideration to the implementation capacities and cost for smaller industries, such as their ability to comply with complex regulations. The revision of the Policy will also consider relevance to emerging economic realities and keep the policy dynamic while addressing matters such as e-commerce, startups etc. Further, it has also become important to take on board the informal sector and thus, the need to realign the policy to make it specific to CSI and streamline the licensing regime.

The theme of the upcoming Bhutan Economic Forum for Innovative Transformation (BEFIT) 2019 is “Catalyzing the Cottage and Small Industries Sector to Drive Bhutan’s Economic Diversification” and one of the reform agenda during the forum is the Cottage and Small Industry Policy 2019.

The CSI Flagship Program will be pursued as the 1st Action Plan of the revised CSI Policy till 2023 and for the development of the subsequent Action Plan, Professional services will be utilized by the end year 2023.

# Setting a baseline for CSIs’ contribution to GDP [DCSI - 2 m]

So far there is no data to indicate the contribution of CSIs to the GDP though CSI is considered an important sector for vibrant economy. To measure the impact of CSI and its contribution to GDP, a baseline study would be initiated covering all required aspects. The study report will determine the contribution of CSI to the GDP and this information can be used for future policy formulation. The study will be conducted in collaboration with PPD, MoEA, National Statistics Bureau and other relevant agencies.

# Support for Informal Sectors [DCSI - 20 m]

While it is assumed that informal sector exists to a large extent in Bhutan, however, no proper study on their existence is conducted. Hence, their role and contribution to GDP and employment or income generated to the households still remains unaccounted. However, the reports from developing and developed countries revealed their contribution to GDP and employment. For instance, IMF Working Paper 2018 analyzing shadow economies in 158 countries for the period 1991-2015, found that the average size of the informal economy as a share to GDP is 31.9%. Further, in developing countries such as Zimbabwe and Bolivia, informal economy as a share of GDP reaches as high as 60.6% and 62.3% respectively. Even in developed countries, the informal economy is prevalent and accounts for 8.9% of GDP in Austria, 8.3% in the USA and 7.2% in Switzerland.

Despite the importance of informal sector in economic development, the sector still remains out of the purview of formal sectors and thus, facing issues and challenges such as low productivity, no access to key government supports & services, conflicting regulations etc.

The Department in collaboration with relevant agencies such as Department of Trade, Local Governance, NSB, DAMC would be working closely on how to make informal sector representation in an economy. To do this, two major activities are targeted through the program: i) Survey of informal sectors to determine the size and composition, and ii) Institute Necessary Support Services for formalization.

Given the limited information on informal sectors, the priority would be in conducting nation- wide survey on informal sectors determining the size, composition, issues & challenges etc. Based on the survey reports, the department in collaboration with relevant agencies will institute specific support measures through provision of infrastructure as well as policy reforms. The support measures would be instituted basically to encourage the informal sectors to come and formalize their operation.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Activities** | **Target** | **Expected Outcome** | **Timeline** | **Budget** |
| 1 | Nation-wide survey | Informal Sectors in twenty  Dzongkhags | To know the size and composition, challenges/issues & support  required for formalization | 2020-2021 | 4 |
| 2 | Institute Support Measures for  Formalization | All Informal Sectors | Instituted support measures based on the survey result | 2020-2023 | 16 |

# Create a forum for two way dialogue for CSIs [DCSI - 2 m]

To ensure regular, proactive and two way dialogue between the CSI sector and RGOB, a platform shall be created. Although the Private Sector Development Committee has been reinstated, CSIs are not represented in the committee. Therefore, CSI development committee comprising of members from CSI entrepreneurs association, APIC, Cooperatives, farmer groups, MoEA, MoAF, Loden Foundation, MoLHR shall be formed as a neutral body so that it represents half of all private sector. This would enhance the private public dialogue and ensure that it becomes more effective over time.

This forum would allow for bottom-up as well as top down communication, consultation, information provision and problem solving. The DCSI shall function as the member secretary to the body.

# DOMAIN 3: ACCESS TO FINANCE & INCENTIVES

Startups usually apply for funding from the Financial Institutes which require taking out their own equity and collateral. Most of startups find it difficult to contribute their equity share and give up their business idea halfway. To help the startups continue their viable idea in the market, Startup component of the flagship will provide equity financing to innovative business ideas.

Total revolving equity funding Nu 31.44 million has been reserved to meet the equity financing of the startups.

# DOMAIN 4: HUMAN CAPITAL DEVELOPMENT

* 1. **Targeted skills development training [DCSI - 94.80 m]**

Vast majority of CSI entrepreneurs lack the required business skills, be it hard or soft. This is mainly due to the fact that they have limited capacity to invest in capacity development or are ignorant of its importance. Such deficit constitutes one of the primary reasons for low productivity and poor growth of the sector.

Considering the importance of skill development and CSIs’ limited investment capacity, one of the interventions under flagship program is provision of focused and targeted training. The training will be targeted to promoting the 21 selected products and the 746 CSIs for addressing their required training needs and to increase productivity and value of their products. The Department will train at least 150 entrepreneurs per year selected from different producer groups as detailed below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Details** | | | |
| **Group** | **2019 - 2020** | **2020 – 2021** | **2021 – 2022** | **2022 – 2023** |
| **21 products** | 1. Incense 2. Bricks & Hollow blocks 3. Herbal tea 4. Floriculture | 1. Handmade paper 2. Pencil 3. Ceramic 4. Integrated wood industry |  |  |
| **41 BEA winners**  ***[Annexure 1]*** | 10 winners | 10 winners | 10 winners:  The winners of 2019 and 2020  Award | 10 winners:  The winners of 2021 and 2022 Award |
| **104 RIDS**  **beneficiaries**  **[Annexure 4]** | 24 beneficiaries | 30 beneficiaries | 25 beneficiaries | 25 beneficiaries |
| **77 incubates of Startup Center, Changzamtog**  ***[Annexure 5]*** | 31 incubates | 30 incubates | | 16 incubates |
| **Other CSIs** | 20 | 20 | 20 | 20 |
| **No. of participants**  **to be trained** | *150* | *150* | *150* | *150* |
| **Budget (in million**  **Nu.)** | **27.40** | **27.40** | **20** | **20** |

The training will include hard skills like product design, packaging, plant operation, etc. and also soft skills like bookkeeping / accounting, product costing and pricing, marketing, human resource management, etc. which are crucial for business growth, but often not realized by CSIs.

The training need shall be assessed through focused consultative meetings with specific producer groups. Based on need assessment, the training shall be in or ex-country. In case no trainer is available in the country, experts will be invited from outside or participants be sent outside. The cost of training will include course fee, DSA, and travel fare.

# Development and Promotion of Handicraft Sector [DCSI - 10 m]

A Memorandum of Understanding was signed between DCSI and the Support Arts and Crafts International Centre of Thailand (SACICT) with the objective of the MoU to bring in collaboration between DCSI and SACICT for development and promotion of handicraft sector through sharing of skills among master artisans and technical know-how by Thai handicraft experts to Bhutanese artisans. The officials from the Department shall also be exposed to arts and crafts cluster implementation modalities together with the artisans under the same program. For ensuring smooth implementation and timely completion of the Technical Assistance Program, SACICT will:

* Provide technical assistance (experts) free of charge for all trainings whether conducted in Bhutan or Thailand.
* Provide food, accommodation, domestic transportation facilities, and other logistics incidental to trainings conducted in Thailand.
* Bear the cost of air tickets of experts and artisans dispatched to Bhutan for trainings to be conducted in Bhutan.

DCSI will:

* Provide food, accommodation, domestic transportation facilities, and other logistics incidental to trainings conducted in Bhutan.
* Bear the cost of air tickets of Bhutanese artisans and officials to be sent to Thailand.

Thus, 2 million is proposed to meet the expenditure for Bhutanese artisans and Department officials for the fiscal year 2019- 2020 to implement the 1st phase of the project.

# Capacity building in post-harvest and equipment handling [DAMC - 12 m]

Most of the aforementioned supports are for value addition/ processing of raw agricultural and livestock producers. When FGs/ Co-ops are provided value addition or food processing

equipment, it is imperative that they be trained on the proper value addition/ food processing techniques, on the optimal use and care of equipment or facility, to ensure they get the maximum value for money. This on-the-job training is more critical when new technologies and new equipment are put in place. Further, the importance of proper food handling to ensure food safety cannot be overlooked and has to be a part and parcel of such capacity building program. To be able to train the aforementioned beneficiaries but not limited to them, a total of Nu.12 million has been proposed.

# Training on Product diversification, miniaturization, innovation and new design (APIC -12.4 m]

In order to adapt to the demands of fast changing customer world, it is important for producers to match the needs of their customers be it through product diversification or through new and innovative designs. APIC has list of products that can be diversified and miniaturized so that customers can derive maximum satisfaction using the products.

Since the concept of miniaturization is fairly new in Bhutanese market, development of skills among the producers has become necessary and unavoidable. Therefore, APIC has outlined several training programs on product diversification, miniaturization and designing new products.

# Capacity building of APIC official, office bearer of clusters and raw material bank [APIC - 1 m]

APIC has outlined several important activities related to upgradation/enhancement of the existing clusters and raw material banks to suit the needs of the changing market state. If the capacity of the officials is not upgraded, the outlined activities will not be able to achieve the desired outcome. To realize the expected outcome from the enhancement of existing clusters and raw materials banks, it is important to build the capacity of the officials’ side by side. In this regard, APIC will be conducting various capacity building programs for their officials, office bearers and managers of clusters and raw materials banks.

# DOMAIN 5: MARKET ACCESS

* 1. **Development of product standards and certification**

Standard and certificate are two important aspects of product promotion. Standard assures safety of products, ensure that products and materials are tailored-made for their purpose, and promote the interoperability of products and services, while certificate ensures compliance with all requirements designated for such a product.

The absence of accredited third-party certification body in the country has been one of the

major issues affecting market access of CSI products, especially export market. Considering this need, the flagship program has taken on board BAFRA and BSB with a mandate to standardize and certify CSI products - particularly the 21 selected products.

The respective agencies shall provide standardization and certification as depicted in the following table. Standardization will be entirely be provided by BSB. In addition, it will also certify 11 of the 21 identified products [non-edible products only]. BAFRA will certify the remaining 10 products [edible products].

|  |  |  |
| --- | --- | --- |
| **Agency** | **Standardization** | **Certification** |
| BSB | All the 21 products | Hand-made paper, Incense, Integrated wood industry products, bamboo products, wooden products, Ceramic products, Pencil, Bricks & Hollow blocks, Natural dye textile products, Traditional souvenirs,  Textile product. |
| BAFRA |  | Herbal tea, Honey by products, Essential oil products, vegetable & fruit juices, Pasteurized butter & cheese, Rice products, Buckwheat  products, Cardamom products, Potato products, Floriculture |

# Facilitate market access for CSI food products through Food Product Testing and Certification (BAFRA- Nu. 48.5 M)

BAFRA is a competent authority national food inspectorate for ensuring food safety for all. It provides its food safety services through two divisions: Food Safety & Quality Division and Accreditation & Certification Division, which is backed by National Food Testing Laboratory. Product testing is the core part of conformity assessment wherein products need to be tested against the standards and certification scheme. Therefore, product testing is unavoidable for product certification.

While BAFRA is accredited for product certification as per requirement of ISO 17065, its scope limits to three products. This means BAFRA has to increase its accreditation scope to cover CSI products. At the same time, the testing capacity of National Food Testing Laboratory has to be increased. This entails capacity building of the laboratory particularly for testing nutritional analysis for verification of label as well as for conformity assessment against the product certification scheme. However, considering the fact that building capacity of the Laboratory may take some time while product needs to be tested immediately, products will be subcontracted to reference laboratories outside Bhutan for testing of parameters which are beyond the scope of the Laboratory at this stage.

On the other hand, it is important that our CSIs are well educated on basic requirements to prepare themselves to produce quality products that can compete both in domestic and international markets. They should be adequately trained on GHP/GMP and product certification requirements to build their capacity to meet the requirements.

The activities under this include:

# Awareness training on GHP/GMP/Certification requirements to CSIs [1.50 m]

It is important that the CSIs interested in product certification are aware of the good food hygiene and manufacturing practices as foundation towards ensuring food safety. The CSIs interested to avail certification will be informed of the procedures on Food Safety Licensing as per GHP/GMP requirements, which is a prerequisite for them to go further for their product certification. Product certification is the provision of inspection and impartial third-party certification that fulfillment of specified standard requirements has been demonstrated. The interested CSIs will also be made aware on the Food Product

Certification as per ISO 17065 requirements. As such, it is proposed to conduct the following activities:

* Two days awareness workshop for CSIs on Food Safety Licensing as per GHP/GMP requirements
* Two days awareness workshop for CSIs on Food Product Certification as per ISO 17065 requirements

The same activities will be carried out with new upcoming CSIs who come forward for product certification.

# Subcontract food samples to reference laboratories for authentication of label and verification of nutritional claims [BAFRA - 1.00 m]

As per ISO/IEC 17065, the samples of products to be certified needs to be tested at reference laboratories accredited for ISO/IEC 17025. Through this budget, food samples will be subcontracted to accredited laboratories for authentication of label and verification of nutritional claims. This assessment will ensure that the right information is communicated to the consumers and help in assuring safe ingredients and safe product formulation.

# Subcontract food samples to reference lab for testing as per requirements of ISO 17065 [BARFA- 2.00 M]

As per ISO/IEC 17065, the samples of products to be certified needs to be tested at reference laboratories accredited for ISO/IEC 17025. Through this budget, the food sampling and testing through subcontracting will be carried out for identified CSI products in accordance with the certification requirements (including the specific product standards and methods of tests.

* Subcontract food samples to reference lab for testing as per food standard requirements

for certification and accreditation

As per ISO/IEC 17065, the samples of products to be certified needs to be tested at reference laboratories accredited for ISO/IEC 17025. Through this budget, the food sampling and testing through subcontracting will be carried out for identified CSI products in accordance with the certification requirements (including the specific product standards and methods of tests.

# Increase ISO/IEC 17065 accreditation scope of BAFRA’s food product certification [14.00 m]

In today’s highly competitive international marketplace, customers, governments, general public, employees, stakeholders over the world are demanding companies to adopt product certification which provides an assurance of consistent product quality and safety. To fulfill BAFRA’s mandate to support the Industries and Commerce in Bhutan for market access and trade facilitation, Product certification was initiated in 2017 in conformity with ISO IEC 17065:2012. To assist CSIs to market their products at local/regional/international markets, the following activities are proposed:

* Licensing of CSI’s against BAFRA’s GHP/GMP requirements

This budget is proposed to aid the CSIs to obtain Food Safety License. All Food business operations are required to comply with the Criteria for Good Hygienic and Manufacturing Practices for Licensing of Food Business. The CSIs are required to have a Food Safety License which is issued upon fulfillment of minimum requirements.

* Preliminary Inspection of CSIs to assess against BAFRA’s Food Product Certification Scheme

The preliminary Inspection involves document review of the client’s management system in order to determine the readiness for the onsite evaluation. During this stage, the Scheme of Testing and Inspection (STI) is also prepared (for new Standards)/discussed (for existing STIs), the factory’s capacity to comply with the requirements of the STI is assessed and availability of testing equipment for certification against the standard is also inspected. Also, other GHP and GMP related requirements in the factory are assessed.

* Product and Factory Evaluation against food Standard and Certification Scheme

This involves onsite factory evaluation by a team of competent inspectors following the certification procedures. At the Factory Audit Stage, the inspection/audit team thoroughly carries out process inspection of the products against the standard requirements and audits the management system. During such audits, sample for testing is also taken and witnessing of the sample testing is undertaken at the applicant/certified client’s premises.

* Increase scope of ISO / IEC 17065 accreditation to include CSI flagship food products (Liaise with Accreditation body)

The budget proposed is to increase the scope of certified food products accredited as per ISO/IEC 17065. The budget proposal is made in order to carry out assessment of BAFRA’s third-party certification system by accreditation body as well as to promote the certification of locally produced products with accredited Certificate for ease of export regulation and to facilitate trade and market access for the Bhutanese Industries. The budget will also be used to meet the expenses for annual surveillance audit by the accreditation body to ensure that BAFRA, as the certification body demonstrates continued conformity with the international standard (ISO 17065:2012).

* Yearly Factory and market surveillance of certified products

To retain and maintain the accreditation of BAFRA for product certification and also to maintain product certification of food industries, it is important to carry out yearly factory and market surveillance. Therefore, for the same purpose, a budget of Nu. 0.25 is proposed for each year from second year of the flagship program assuming that by end of 2019-20, BAFRA will issue Product Certification to some CSIs.

# Capacity Building of National Food Testing Laboratory (NFTL), Yusipang for testing identified products for ensuring food safety [BAFRA - 30 m]

* Establish fat content determination facility at NFTL

For fat extraction, NFTL proposes to procure an integrated fat-extraction unit to analyse fat (Unsaturated fat: Mono & Poly, Saturated and Trans-fat) for a wide array of food matrices including yogurt and dairy products and just not restricted to cereal and bakery product. The sum Nu. 6 M is proposed during FY 2019-20 for the purchase, installation, Hands-on-training of analysts on FES, deputation of Experts for Calibration and validation of integrated Fat Extraction Unit.

* Purchase of auto-titration system for the determination of chemical parameters in oils Mustard oil is prioritized product for CSI Flagship program. Therefore, auto-titration system for the determination of chemical parameters in oils.
* Installation of muffle furnace to determine ash content

NFTL receives cereal and bakery products, tea and other locally made products for determination of ash content. The current muffle furnace at NFTL is very small and can house only three normal sized crucibles and cannot handle heavy inflow of samples. NFTL proposes to purchase a muffle furnace in FY 2019-20 which can house at least 20-30 silica dishes.

* Installation of HPLC unit for determination of vitamins

Determination of vitamins: water & fat soluble in food samples according to recent trend has become one of the inevitable test parameters a laboratory can perform. NFTL has fluorescence detector Dionex HPLC for the detection of mycotoxins. However, most of

the vitamins cannot be determined by the fluorimetric methods, software and column differences. We need an integrated HPLC which can be used for the determination of fat as well as water soluble vitamins. For the purchase of UV-HPLC, column, software and consumables for the entire solid phase extraction, a total of Nu. 10Mn is proposed in the FY 2020-21. The budget will be used for detail study of HPLC specification, purchase of UV detector HPLC, verification of HPLC, installation of HPLC in NFTL, training of officials operation, troubleshooting and maintenance, calibration and validation and purchase of different columns for the specific requirement.

* Increasing the scope of testing using existing major equipment

Using the existing major equipment such as HPLC, GC-MS, AAS, Protein Analyzer, Fat Extraction system, additional test parameters can be introduced by training personnel on the handling these equipment. As per ISO/IEC 17025 the personnel handling such heavy equipment need to be trained on its application, basic maintenance and troubleshooting. NFTL proposes in-depth specific hands-on-training of the personnel on the handling of the above equipment, training using HPLC for analyzing Vitamins & Mycotoxins is proposed.

* Strengthen analysis of chemical contamination and residue in food samples

To strengthen chemical residue testing, NFTL proposes to purchase required consumables/reagents/standard reference materials for testing additional test parameters for CSI products. Training of personnel on the handling of equipment such as HPLC, GC-MS, AAS, Protein Analyzer, Fat Extraction system is mandatory. As per ISO 17025 the personnel handling such heavy equipment needs to be trained which then shall be equipped for the basic maintenance and troubleshooting.

* Purchase of microbiological test equipments

NFTL has to continuously increase our testing parameters to meet the regulatory requirements or to reduce the number of the sub-contracting of samples. Considerable amount of good quality media, consumables and equipments needs to be purchased annually to carry out routine and emergency analyses of food samples, which is increasing annually, at National Food Testing Laboratory. Due to constraint in allotted budget NFTL could not procure sufficient amount of media and consumables. Training of the laboratory officials is very important to update with the latest advancement in laboratory technology and testing methodology for Campylobacter, Listeria monocytogenes, flat sour organism, Vibrio spp. (V. cholerae & V. Parahaemolyticus), Pseudomonas aeruginosa and Clostridium perfringens. For confirmation and producing reliable test results, the laboratory official’s needs training on the use of the positive reference cultures, serotyping and molecular detection of the isolates using equipments such as PCR. The periodic training/Upgradation courses are also mandatory as per the technical requirements of ISO/IEC 17025 and Quality system procedure for capacity building of Laboratory officials. For increasing the current scope of microbiological testing at NFTL,

it is required to purchase incubator, barticinerator, vertical autoclave, safety Bunsen burner and procurement of media, chemicals, supplements, consumables.

* Introduction of new microbiological test parameters

For introducing new microbiological test parameters and to strengthen NFTL’s microbiological analytical capacity, the personnel need to be provided training on the latest advancements in laboratory technology and testing methodology for food pathogens, and use of positive reference cultures, serotyping and molecular detection of the isolates.

* Increasing NFTL’s scope of accreditation

To facilitate market access by providing accredited test reports, NFTL proposes to gradually increase its accredited test parameters in line with the requirement of CSI products.

# Product certification cost with technical expertise from outside Bhutan (BSB –

**3.85 million)**

Product certification is carried out as per the Rules governing Product Certification. The processes are described in the Procedure for Product Certification. It involves document review, preliminary and final inspections, report preparation based on third party test reports, decision of the certification committee, award of certification, surveillance and recertification. BSB has the competence in most areas of construction related products.

In the absence of the required technical expertise for the product identified, one may be contracted from within Bhutan, if available, or from the region. This will entail additional costs. The following table shows an estimate of the cost of product certification for one product with technical expertise from outside Bhutan. All costs are for the expert except for the certification fee payable to BSB.

|  |  |
| --- | --- |
| **Sl. No.** | **Particulars** |
| 1 | Document review (off-site) |
| 2 | Air travel (To - from - Bhutan) |
| 3 | Planning with BSB officer designate |
| 4 | On-site assessment (pre/final inspection) |
| 5 | Internal travel |
| 6 | Food and lodge |
| 7 | Report preparation on-site |
| 8 | Report preparation off-site |
| 9 | Scope extension for accreditation |
| 10 | BSB application and certification fee |
| 11 | Expert’s presence for witness assessment during accreditation |
|  | **Total cost: 350,000** |

Under the flagship, 21 products have been identified and approved to be provided the end

to end support and ensure that these products are provided access with proper standards and certification under the Brand Bhutan. Out of the 21 products, 11 products (mineral based, wood based and handicrafts) have been chosen for certification by BSB.

# Increase metrology lab’s scope of accreditation in temperature, volume and pressure measurement [BSB - 1m]

The national Metrology Laboratory is the only laboratory in Bhutan providing calibration and verification services to the industries and general consumers in Bhutan. The main objective of the laboratory is to ensure uniformity of measurement in the country and comparable to the regional and international standards.

Trading is impossible without measurement and precise measurement, therefore, plays a critical role in minimizing technical barriers to trade. The CSIs will have to maintain precise measurement in the factory premises to ensure that the exact quantity of ingredients is used for the products and the finished products weighs the exact quantity as declared in the labeling.

BSB at present has the basic laboratory setup for mass, length, temperature, pressure and volume. The National Metrology Laboratory is currently accredited for mass and length parameter and we also have plans to increase the accreditation scope in temperature, pressure and volume measurement. Accreditation ensures the competence of the laboratory to deliver its services and the certificate issued by the laboratory is accepted across the globe.

|  |  |  |
| --- | --- | --- |
| **Sl No.** | **Items** | **Qty** |
| 1 | Automatic flake ice machine | 1 |
| 2 | Storage container (Dosing tank) for storage of distilled water | 1 |
| 3 | Water triple point cell | 2 |
| 4 | Dewar for Water triple point cell | 1 |
| 5 | Set of Faden thermometers | 1 set |
| 6 | Set of Optical parallels (set of 4) | 1 set |
| 7 | Set of optical flats | 1 set |
| 8 | Dry ice maker | 1 |

# Development and adoption of Standards [BSB-3.6]

A total of 21 standards identified by DCSI will be developed / adopted by the various technical committees (TCs). The standards formulation process for both adoption and development has to go through the methodology prescribed in the Rules for Standardization and entails numerous sittings with the technical committee members. TCs are provided working meals, refreshments and venue for the conduct of standardization meetings. Members are paid the TADA as per the MoF guidelines and directives. The overall budget is for the standards formulation, wide circulation announcements by media, printing, publishing and harmonization of standards meetings.

# Awareness on standards and conformity assessment [BSB - 1 m]

Noting the importance of standardization and conformity assessment for market access of the identified products, it is proposed to carry out awareness campaigns on the benefits of these services provided by BSB. It is designed to keep government, manufacturers and the consumers abreast with these activities. Awareness programs are necessary to keep the services of BSB in the limelight and also to educate new players in the market. BSB intends to carry out a number of awareness programs with local manufacturers and sensitize them on the benefits of the services provided by BSB. Therefore, budget of Nu. 1.0 Million has been proposed to carry out the above activity.

The following table indicates the work plan and budget utilization of the proposed budget for all activities of the BSB:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sl. No** | **Activities** | **Approved**  **budget** | **Budget utilization (Nu. in million)** | | |
| **2019-2020** | **2020-2021** | **2021-2022** |
| 1 | Develop/adopt standards | 3.6 | 1.8 | 1.8 |  |
| 2 | Product certification of 11 products | 3.85 |  | 1.75 | 2.1 |
| 3 | Procurement of metrology equipment | 1.0 | 1.0 |  |  |
| 4 | Awareness programs | 1.0 | 0.5  **3.3** | 0.5  **4.4** | **1.75** |
| **Total 9.45** | | |

By the end of the 12th FYP, all 21 products identified under the CSI flagship program would have a national standard and eleven products would have been certified by the BSB.

# Brand Bhutan Developed and Implemented [DoT, MoEA - 15.71 m)

The idea of nation branding or creating an overarching umbrella brand providing holistic view of the country was conceptualized in 2005. In the following year, a feasibility study was conducted by the Department of Trade (DoT), Ministry of Economic Affairs (MoEA) in collaboration with the World Intellectual Property Organization (WIPO) and found that Bhutan is in a good position compared to many developing nations to create a nation brand. The concept to develop Brand Bhutan then formed an integral part of the Economic Development Policy of Bhutan 2010. The importance of implementing the Brand Bhutan has been further emphasized and articulated in the EDP 2016 as a key strategy to promote Bhutanese industries and their products globally.

# Rationale

In light of the increasing trade imbalance and economic vulnerability posed by highly concentrated export market and export composition, the RGoB has been making concerted efforts towards development and diversification of our export base and market by promoting high value and low volume Bhutanese products in the high-end niche markets. Considering the

high transaction costs, transportation challenges and underdeveloped logistical infrastructure, it has been found that Bhutanese products are less competitive in terms of price and quality in the international market. In order to improve the competitiveness of Bhutanese exports and penetrate into premium market, the Department has embarked on this ambitious and innovative strategy to leverage on the idea of Brand Bhutan. The concept of Brand Bhutan is to capitalize on the Unique Selling Point (USP) packaging all positive attributes of our country, such as pristine environment, rich cultural diversity, the Gross National Happiness philosophy, political stability and others. In fact, the EDP 2016 clearly identifies eight areas, where Bhutan has competitive advantages. The Brand will not only be confined to the quality and origin of the product and services but also reflect the ethos and values of Bhutanese society, history, GNH philosophy, etc. thereby, promoting and supporting the initiatives that lead to the betterment of the society. The brand equity developed through implementation of the Brand Bhutan is executed to bring enormous economic benefits to the economy at large, and export sector in particular. Besides export diversification, the proposed program is also expected to create jobs and build human resource capacity in the country. Therefore, to leverage on the above opportunities, the Brand Bhutan has been proposed as one of the components under the CSI Flagship for 12FYP.

# Outcome

The implementation of the Brand Bhutan under the CSI flagship would contribute towards economy diversification where, in addition to hydropower, the export earnings would also come from agricultural products, handicrafts, minerals and other value added CSI identified products.

# Output

The expected output from the CSI flagship is for improved market access for the export of 21 identified CSI products under *Made in Bhutan and Grown in Bhutan* Sector Brands.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Activities** | **Sub-Activities/Task** | **TIME FRAME** | | | | |
| **2019-20** | **2020-21** | **2021-22** | **2022-23** | **Total (M)** |
| **1. a) Guideline for Brand Bhutan Developed** | 1. Conduct workshop with all relevant stakeholders to  validate the draft Guideline. | 0.1 | 0.1 |  |  | 0.2m |
| 2. Printing of the guideline |
| **b) Rules and Regulation for Brand Bhutan developed** | 1. Identify stakeholder | 0.25 |  |  |  | 0.25 |
| 2. Conduct workshop with all relevant stakeholders to draft  the rules and regulation |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2. Develop criteria for two sector brands - ‘*Made***  ***In Bhutan’ and ‘Grown In Bhutan’*** | 1. Develop criteria for Made  in Bhutan & Grown in Bhutan | 4 | 1.13 | 1.13 |  | 6.26 |
| 2. Organize numerous consultation workshops with  relevant stakeholders |
| 3. Finalize the criteria |
| 4. Pilot test the criteria on  products |
| 5. Apply Brand Bhutan |
| **3. Develop criteria, specifications and product profile for selected products under CSI flagship for the application**  **of Brand Bhutan.** | Hire international/local consultant to develop product profiles |  | 1.5 | 1.5 |  | 3 |
| **4. Apply Brand Bhutan on prioritized CSI products** | Form Brand Bhutan  Committee |  | 0.25 | 0.2 | 0.2 | 0.65 |
| Conduct Workshop to familiarize the Brand Bhutan  Committee members |
| Committee to vet the products that has applied for using Brand Bhutan logo and give approval |
| **5. Promote and Market Brand Bhutan to national & international**  **markets.** | Promotion and awareness of Brand Bhutan | 1 | 1 |  |  | 2 |
| **6. Registration of**  **Brand Bhutan** | Registration of Brand Bhutan  with DoIP | 2.1 |  |  |  | 2.1 |
| **7. Develop expertise on Branding within the Department** | Assess and identify training needs for officials involved in Brand Bhutan works in DoT  and relevant stakeholders | 1.25 |  |  |  | 1.25 |
| Organize, conduct capacity building training/workshop/ seminars/study tour for officials involved in Brand  Bhutan |
| **Total budget**  **required** |  | **8.7** | **3.98** | **2.83** | **0.2** | **15.71** |

The details of activities are:

# Develop Guideline for Brand Bhutan [DoT - 0.20 m]

The Brand Bhutan initiative is a strategy to tap niche market by branding premium quality

product from Bhutan under the two sector brands viz-a-viz *Made in Bhutan* and *Grown in Bhutan*. The guideline on Brand bhutan will provide necessary guidance for the users who would be applying for the right to use the Brand Bhutan logos on their products.

# Develop Rules & Regulation for Brand Bhutan [DoT - 0.25 m]

Brand Bhutan will be registered as a Collective Mark with the Department of Intellectual Property (DoIP), Ministry of Economic Affairs (MoEA). In order to register the Brand Bhutan logos under DoIP, one of the criteria is the requirement of the Rules and Regulation of Brand Bhutan in place. Therefore, a budget of Nu. 0.25 million has been proposed under the CSI flagship to develop the Rules & Regulations for Brand Bhutan in consultation with the relevant stakeholders such as DoIP, PPD, DCSI, BAFRA, BSB and etc. The Rules and Regulation would also be used for the regulatory purpose of Brand Bhutan.

# Develop Criteria for two sector brands [DoT - 6.26 m] and its application (DoT -0.65 m)

One of the most complex and critical tasks for Brand Bhutan would be the development of criteria for *Made in Bhutan* and Grown *in Bhutan* Sector Brands. This is because a criteria developed for Handicrafts- under *Made in Bhutan* will not be applicable for other products under *Made in Bhutan such* as Agro-value added products or wood based products. Therefore, different criteria will have to be developed for each product category where utmost importance must be given while developing the criteria in order to ensure that the values and personality of Brand Bhutan is not diluted. Therefore, in order to develop the criteria, Nu. 6.26 **m** has been proposed under the CSI flagship. The budget will be utilized to form task force/working groups which would comprise of relevant experts applicable under the *Made in Bhutan* and *Grown in Bhutan* Sector Brands. The criteria will be developed through numerous workshops/consultations/meetings and etc. Once the criteria are developed, it would be tested on some of the products to ensure its applicability.

Once the criteria are developed, the interested users will be given the right to use the Brand Bhutan logos on their products if they fulfill the criteria in place. In order to give the user rights, a committee will be formed to vet the products as and when applications are received. For this purpose, Nu. 0.65 m has been proposed for a period of 4 years. This budget will be utilized for serving lunch/refreshments/hall charges/honorarium (if applicable) to the committee members while evaluating, examining and vetting the products.

# Develop product profile for CSI products [DoT - 3 m]

The products under the Brand Bhutan logos would be sold through the story of Bhutan in addition to meeting the required criteria. Therefore, it is important to develop product profiles for the 21 prioritized CSI products in alignment with the values, personality and criteria of Brand Bhutan. This would be done by hiring national or international consultants with relevant expertise.

# Promotion of Brand Bhutan [DoT -2 m]

The root of building a brand, its identity, reputation and visibility is in marketing and promotion of Brand Bhutan. The aim of marketing and promotion for Brand Bhutan is to create long term relationship with the consumers, at the same time to attract new members and generate interest in the products and services through various modes.

Through the flagship program, the Department aims to promote Brand Bhutan through different forms of media channels such as print and television; digital and social media channels. Further, since the Brand Bhutan is just starting its implementation, the most relevant source of promotion would be attending fairs and road shows where face to face interaction can be made to inform buyers on the value of Brand Bhutan. This will be done as part of National/International CSI fairs and roadshows in collaboration with DCSI.

Further, noting the importance of Brand Bhutan for better market access, it is proposed to carry out awareness programs on Brand Bhutan- what it means, its advantages, criteria to be fulfilled etc. This is to keep interested producers, retailers, business communities and consumers informed on the Brand Bhutan initiative.

# Registration of Brand Bhutan with IP [DoT - 2.10 m]

The registration of the Brand Bhutan is important not only from the legal perspective but also for the implementation and monitoring purpose. As per the consultation with the DoIP officials, the Brand BHUTAN logo shall constitute as a Collective Mark and should be registered as per the Industrial Property Right Act 2008 and its Rules and Regulation. However, registering Brand Bhutan logo at the national level will not provide required protection at the International area. Therefore, Brand Bhutan logo along with the logos of the two sector brands will be registered in a few selected countries through the MADRID system where certain fees are applicable for each class/product category. Hence, **Nu.**

**2.10 m** has been proposed for the registration under Intellectual Property Rights.

# Develop expertise on branding for core members involved in BB implementation [DoT - 1.25]

One of the main challenges for the implementation of Brand Bhutan is lack of in- house capacity to implement it. However, until now, no one has been trained from the Department on country branding and its implementation. Therefore, in order to ensure that Brand Bhutan is implemented successfully, it is important to either train or undertake a study visit for the core members involved in implementing Brand Bhutan so that the learning from the training/study tour can be replicated or implemented for the Brand Bhutan initiative.

# Establish dedicated CSI marketplace at Changzamtog service center [DCSI - 98 m]

According to the Enterprise Survey Report 2010, it was pointed out that “Access to Market” was one of the constraints faced by enterprises during establishment and operation. Notably, lack of Infrastructure (market outlet and land) and transportation has been the major challenges faced by CSIs. The CSIs is identified as one of jewels for economic development. However, not much has been achieved in terms of marketing of CSI products be it domestic or outside. Thus, during the 12 FYP under the Flagship Program the department will establish a dedicated CSI marketplace at Changzamtog Service Center, Thimphu to particularly market CSI products. The objectives of having a dedicated market are to:

* Promote CSI products in the market (both domestic market as well as for visiting tourists),
* Have a dedicated and permanent space for CSI products with proper management & operation,
* Improve competitiveness of CSI products through quality, standard, image, branding

Accordingly, at the end of 12 FYP, the department aims to promote 21 selected and additional CSI products at the market outlet. The dedicated marketplace would be either manned by the government or outsourced to interested private sector in terms of operation & management. Prior to establishing the outlet, the department would be carrying out renovation/remodeling and professional works which could contribute towards the accomplishment of development of permanent CSI market outlet.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sl. No.** | **Activities** | **Target** | **Amount (M)** | **Expected Outcome** | **Timeline** |
| 1 | Prepare, design and cost estimates for renovation and remodelling of the Startup Center and CSI  marketplace | 1 detail report on remodeling/ renovation | 2.00 | Contribute towards the establishment of market place | 2019-2020 |
| 2 | Develop business model for operation and management of market  place | 1 comprehensive report on operation &  management | 1.50 | 2019-2020 |
| 3 | Recruitment of Engineer | to recruit one  civil engineer | 4.00 | 2019-2020 |
| 4 | Develop CSI  marketplace | 20 identified CSI  products | 90.50 | CSI product  promoted | 2021-2022 |
|  | **Total** |  | **98 M** |  |  |

# Market Infrastructure - Collection Points [DAMC - 25 m]

Bespoke processing plants and on-farm stores including cold stores are critical to the success of any food processing business venture. When planning, the entire process - right from holding of raw materials, processing technology, handling and storage of finished goods and transportation modality – has to be considered holistically.

In some cases, providing a market platform such as the Bhutan Co-operative Shop (B-Coop) for goods produced by farmer groups and cooperatives is critical. Additionally, other market infrastructure may be pursued through the flagship program wherein the support will be channeled through the Market Infrastructure Guidelines, 2018.

Based on the feasibility, 5 to 10 such infrastructure is planned to be established during the period of the flagship program.

# Market Linkages [DAMC - 7 m]

Producing marketable goods is only a job half done. It is imperative to help FGs/ Co-op find viable buyers/ markets, promote their produce through advertising and branding, plan and carry out trial shipments and enable their participation in events such as trade fairs held at the market end. Furthermore, in order to identify potential farmers for production of RNR products, multi stakeholder meetings must be coordinated, buyers and sellers identified, B2B (business to business) linkage conducted, Contractual agreement signed and support provided to buyers and sellers. The proposed budget of 7 million is expected to cover these costs during this FY.

# Establish CSI outlets outside Bhutan [DCSI - 10 m]

Limited access to market access is one of the fundamental barriers to growth of CSI sector. Our approach to CSI development needs to go beyond just providing access to finance and human capital development. The country needs to find ways to help CSIs gain access into various markets and form part of the broader supply chain so that CSIs sustains.

Even though we should continue to promote the development of CSIs, the Department of Cottage and Small Industry would support the overall value chain by creating market linkages and easy access to regional markets to ensure that the ones which are currently operating remain in business. Thus, two dedicated CSI outlets outside Bhutan shall be established to provide access to strategic markets.

Prior to establishment of the outlets, the Department in collaboration with the Ministry of Foreign Affairs and other relevant ministries/agencies shall conduct preliminary visit and study to identify space in the foreign lands.

# Market platforms [DCSI - 8.85 m]

The National CSI EXPO will be organized as part of the Bhutan Economic Forum for Innovative Transformation (BEFIT) from 16 -18 July 2019 at Royal Thimphu College. It shall be a first of its kind platform to enable Bhutanese CSIs and young aspiring entrepreneurs to showcase their products and services to potential domestic and foreign investors. The objective is to bring together potential investors, entrepreneurs, and policy makers at one place to interact, physically see the products themselves, and establish business-to-business network/contacts.

The main objective of the EXPO are as follows:

* To facilitate Business to Business (B2B) interactions with potential international/national investors
* To facilitate better market accessibility through the use of digital platform and ICT enabled tools
* To encourage higher value addition by upscaling technology and know-how
* To disseminate information on goods and services to international/national investors.

Through a competitive selection process, 50 CSIs shall be selected to participate in the EXPO. Each CSI should have two participants in the respective stalls. The stalls shall be provided free of cost. The event shall be outsourced to a licensed event manager through a competitive selection process as well. The proposed budget for the EXPO for 50 stalls (100 participants) is Nu.0.85 M during the FY 2019-2020.

Likewise, the Department will continue to market CSI products through CSI fair within and outside the country with its primary aim to build a platform to market authentic and unique handmade local products of the entrepreneurs from all 20 Dzongkhags with no involvement of middlemen.

The objective of the annual CSI Fair are to:

* Promote and market the products of the CSIs from all 20 Dzongkhags
* Encourage inter-business networking
* Inculcate the culture of entrepreneurship
* Exchange business related information, strengthen cooperation and strike common development activities for CSIs.

# Road shows and Networking [DCSI -8 m]

Roadshows and networking is a socio economic business activity by which business people and entrepreneurs meet in a series of interactive network to form business relationships and to recognize, create, or act upon business opportunities, share information and seek potential partners for ventures. Such networking is expected to enhance the competitiveness and sustainability of our small entrepreneurs. Thus, the Department aims to conduct roadshows, exhibit for networking and to explore investors in FDI in select CSI with SME agencies in the region countries.

These initiatives would allow participation of the CSIs at the CSI exhibitions outside the country and more importantly to promote export and establish business networking between the CSIs and interested investors. Thus, a minimum of Nu. 2 m would be required to meet the cost associated with this activity. Under this activity, if necessary and for effective outcome, Department officials will participate wherever required in place of the entrepreneurs. The expenses include stall charges and airfares for participating entrepreneurs which will be on a cost-sharing basis.

# Product launching event / ceremony [DCSI - 6 m]

Once an entrepreneur or a startup has developed an idea for a product, tested it in the incubation/startup center and determined its readiness to launch, the production begins and market access commences.

For a successful product, the Department shall help the startup in getting out the word about the new product and entice people to buy it. The Department shall assist the CSIs by launching the new product in the market through various platforms so that the potential buyers/investors will know about the product and the entrepreneur/producer itself.

Such support is intended to help the CSIs get access to a larger customer base and more revenue. Through such initiative of the Department, it is expected for the CSIs to attract partnerships and investors from both within and outside the country. In total, 8 such product launching event/ceremony would be carried out by 2013.

# Establishment of Central yarn banks [APIC - 5 m]

APIC has established 9 raw material banks across the country, out of which 6 are yarn banks. These yarn banks are operated by artisan-based groups and individuals with close monitoring and technical support from APIC. Some of them were established in 2012. Therefore, a consultant was recruited for analysis of their working modalities in order to develop a system for running these yarn banks in a more independent and sustainable manner. Hence an assignment was given to M/s. Sutra Handicrafts, India who carried out in depth analysis of these raw material banks. As per their recommendation, a central yarn bank is to be established where yarns are to be sourced directly from the manufacturers and supply to all the existing RMBs. Therefore, an amount of Nu. 3 million is proposed for establishment of the Central Yarn Bank.

# Construction of Common Facility Center (CFC) at Tsebar and Radhi [APIC -6 m]

APIC will construct CFC sheds at Tsebar for metal artisans and at Radhi for Textile artisans. The CFC shed will house equipments of the artisans required for effective production of their products. CFC will also provide the artisans a platform to showcase their production skills in collaborative and coordinated manner. CFC can also be used to provide training for the artisans. To further develop the CFC, common machines and equipments required by the artisans will also be provided in the near future.

# CSI product mapping (DCSI- 3 m]

In order to identify potential CSIs, an inventory study will carried out in 20 districts in collaboration with DoI, MoEA and DAMC, MoAF. The study will map potential CSI ventures that can be floated among the start-up beneficiaries of CSI flagship as well as other interested entrepreneurs.

For this activity, the DCSI in collaboration with DoI, MoEA and DAMC, MoAF will validate the products identified in the Economic Resource Mapping prepared by Department of Industry, MoEA. The products will be prioritized, value-addition business activities identified and prepare ready-to-use business plan through validation exercise.

# 10 CSI Products promotion for import substitution (DCSI, MoEA & DAMC, MoAF)

The Department of Cottage and Small Industry in collaboration with relevant agencies like DAMC, DoT, Dzongkhags, MoF would work towards promotion of 10 CSI products for import substitution. A detailed implementing modality, activities, and budget required to be finalized by DCSI, MoEA. The budget required for the above activity to be met from the budget allocated to BCCI component.

# DOMAIN 6: BUSINESS DEVELOPMENT SUPPORT

* 1. **CSI Development Scheme [DCSI - 107 m]**

One of the key supports of the Department to CSIs is provision of grant for purchase of core equipment/machinery required for initial setting up or expansion of the existing production/ manufacturing units. Under the Flagship Program, the technology support will be extended to CSIs covering: i) 21 identified products, ii) startups at the Startup Center, iii) Bhutan Enterprise Award recipient, iv) cooperatives/farmers group, and v) CSIs not covered under Flagship Program. The maximum value of the scheme is Nu. 200,000 per CSI and the grants would be provided on a cost sharing basis ratio of 90:10 (grants: contribution by beneficiary) for new CSIs; and 80:20 (grants: contribution by beneficiary) for the existing CSIs. Total of 400 CSIs will be supported.

While the above mentioned scheme if for production and manufacturing industries, there is another version called ‘Essential Service Scheme’, aimed at supporting essential service industries such as haircutting, tailoring, photo studio, repair of electrical and electronic items, plumbing, mobile phone repair services, and shoes repair services, etc. in places that do not have such services. The two schemes operate on the same principle except that for the service, the grant is full cost or nu. 200, 000 whichever lower, while the first is a cost sharing scheme. Total of 120 CSIs will be supported.

The third scheme is on Innovation Voucher Scheme (IVS) which is fundamental to fostering innovation in businesses for growth and value creation; it is almost non-existent in Bhutanese CSIs. The scheme allows CSIs to commission R&D project to research firms, within or outside the country, on the specific topic/subject that will address a technological problem or help them adopt a technology that will enhance their business.

The scheme awards voucher value of Nu.0.2m per applicant, which is redeemed by research firms after completion of the research work. The culture of innovation and R&D is at a very rudimentary stage and unless proactive support such as these is introduced, it will never become a culture and productivity will suffer. The Department intends to support 8 Innovation Voucher Scheme during the 12FYP.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **#** | **Activities** | **Target** | **Nu in m** | **Expected Outcome** | **Timeline** |
| 1 | Supply of equipment/machinery/  tool | 520 CSIs | 103.40 | Enhanced competitiveness  and innovation | 2019-2023 |
| 2 | Innovation Voucher Scheme to  promote R&D | 8 CSIs | 1.60 | Enhanced competitiveness  and innovation | 2019-2023 |
| 3 | Study, monitoring & evaluation on  utilization and up-scaling | 528 CSIs | 2 | Comprehensive report | 2021-2023 |

The Department will conduct annual/bi-annual monitoring & evaluation of beneficiaries supported through Industries Development Scheme, Essential Service Scheme and Innovation Voucher Scheme through survey questionnaires. The findings will then be presented and reported in a professional manner in the form of report which would also serve as a tool for studying impact assessment for similar support in the future. The report will be printed using color printer and shared with relevant stakeholders. Further, the department will also study, make assessments, and support up-scaling of CSIs in terms of technology, investment scale, production capacity, human resource requirement etc.

# Provision of Value Addition Equipment [DAMC - 68 million]

Despite the potential and the interest, lack of capital to expand or diversify business impedes most groups and cooperatives in the country. The DAMC introduced a scheme called Cooperative Business Development Scheme (C-BuDS) in 2017, through which, support such as value addition equipment can be delivered where funds are available. This scheme aims to ensure transparency, equity and that the most deserving or the potential groups/ co-ops get the support. This support will be channeled through C-BuDS.

Though the original C-BuDS is a cost sharing scheme, wherein the RGOB contributes 70% of the investment and beneficiary FGs/Coops bears the rest; and the RGOB contribution is capped at Nu.250,000/- per scheme; as part of the CSI and Startup Flagship Program, the C-BuDS while retaining its protocol can be improvised to the needs of the Flagship program

– increasing the support cap to FGs more than 15 members and Co-ops to Nu.500,000/-

For the period of the flagship program, a total of Nu.68 million is proposed, targeting approximately a minimum of 136 and a maximum of 272 Farmer’s Groups/Cooperatives in the country; with each beneficiary group receiving grant ranging from Nu.0.25 to 0.5 million.

# Packaging support [DAMC - 12 m]

More often than not, the small and cottage enterprises accord very minimal importance to the presentation and packaging of the finished products – both of which are critical in the protection of the finished goods as well as in the promotion and marketing of it.

Therefore to support very promising FG/Co-ops that have reached an advanced stage of

product development or are already producing marketable goods, in introducing and using appropriate packaging methods and materials, through provision of packaging equipment and pre-printed packaging materials, a sum of Nu. 3m each is proposed for the 4 years of the flagship program.

# Industries development scheme [APIC - 3.90]

APIC has established 13 textile groups around the country, out of which 9 textile clusters are very active and requires our support and intervention. The ‘naturally dyed’ yarn has really picked up over the years, both in the domestic market and in international markets. However, the natural dye is not picking its pace in the market due to non-availability of the raw materials for the natural dye, like ferrous and alum. APIC will procure ferrous and alum, and other raw materials and distribute it to 9 textile cluster to encourage naturally dyed yarns to boost their market both in domestic and international market. The office will also procure all other raw materials, pre loom equipment and tools required for the natural dye.

Therefore, an amount of Nu. 3.9 million is proposed for procuring pre loom equipment and raw materials for the natural dye, for 9 textile clusters:

|  |  |
| --- | --- |
| **Cluster** | **Budget (million Nu.)** |
| Thongsa Cotton cluster | 0.4 |
| Yurung Textile cluster | 0.4 |
| Wooling Textile cluster | 0.5 |
| Lauri Nettle cluster | 0.4 |
| Zangthi - Tshothang Nettle cluster | 0.6 |
| Jamkhar Textile cluster | 0.4 |
| Dorjibi Textile cluster | 0.3 |
| Gonpa Kabab Textile cluster | 0.4 |
| Radhi Textile cluster | 0.5 |

# Bhutan Enterprise Award [DCSI - 5 m]

The Ministry has instituted annual Bhutan Enterprise Award in the year 2013 to recognize and reward the contribution of CSIs to the national economy, employment generation and poverty alleviation and to promote such responsible industries in the country.

The BEA system is aimed to promote preference for self-employment over safe employment, create preferences for rural investments, and empower women and young entrepreneurs to embrace entrepreneurship and to acknowledge the efforts and contributions of the existing entrepreneurs. To date six BEA were held and entrepreneurs were recognized and awarded with the Certificate of Appreciation and Cash Prizes.

The budget of Nu.1.25m is proposed to meet the cost of activities for the event - award prizes,

cost of hall charges, certificates and citations and professional fees of experts on thematic topics related to entrepreneurship and new business creation etc as follows:

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Category of Award** | **Total** |
| 1 | Small-Scale Entrepreneur of the Year | Nu. 200,000 |
| 2 | Cottage-Scale Entrepreneur of the Year | Nu. 200,000 |
| 3 | Rural-based Entrepreneur of the Year | Nu. 200,000 |
| 4 | Women Entrepreneur of the Year | Nu. 200,000 |
| 5 | Service Entrepreneur of the Year | Nu. 200,000 |
| 6 | Misc. expenditure for the event | Nu. 250,000 |
|  | **Total** | **Nu. 12,50,000** |

# Business Advocacy Workshop [DCSI - 2.6 m]

Business Advocacy Workshop is a program aimed at sensitizing entrepreneurs (existing or new) on rules and regulations, policies, supports and incentives, and facilitation services available for CSIs in the country.

The target participants include unemployed youths, school leavers, and final-year students of Technical Training Institutes and RUB colleges who are on the verge of joining the mainstream job market. The workshop is also intended to encourage and motivate participants to take up business and create employment opportunities, besides finding their own employment.

With the implementation of CSI development flagship program in the 12th FYP, the role of this workshop becomes even more crucial and necessary. As CSI development takes on new approach, its strategic plans, programs, and schemes need to be sensitized extensively, besides its normal agenda among potential entrepreneurs, covering all 20 Dzongkhags, 6 Technical Training Institutes, and RUB colleges.

The Department will reach out to 2500 potential entrepreneurs during 2019 – 2023 in phased manner as detailed in the table below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **2019 - 2020** | **2020 - 2021** | **2021 - 2022** | **2022 – 2023** | **Total** |
| Target Group | 1. Mongar 2. Lhuentse 3. Trashigang 4. Tashi Yangtse 5. Pema Gatshel 6. TTIs | 1. S/Jongkhar 2. Sarpang 3. Samtse 4. Chukha 5. Zhemgang 6. TTIs | 1. Paro 2. Punakha 3. Wangdue 4. Trongsa 5. Bumthang 6. TTIs | 1. Dagana 2. Tsirang 3. Thimphu 4. Gasa 5. Haa 6. TTIs | 20  Dzongkhags; and TTIs |
| Total participants | 625 | 625 | 625 | 625 | 2,500 |
| **Budget**  **(in Million Nu)** | **0.65** | **0.65** | **0.65** | **0.65** | **2.6** |

The Department shall liaise with respective Dzongkhag administrations for nomination of participants and other logistic arrangement for conduct at the Dzongkhag centers, while for TTIs, a prior approval shall be sought from the Department of Technical Education under the Ministry of Labour & Human Resources, and then fix the date with respective principals of the institutes.

During the workshop, participants will be given working lunch, tea & snacks, and minimum per diem as per applicable financial rules.

# Technology database for CSIs [DCSI - 1 m]

Recognizing technological competence as one of the primary determinants for cottage and small industries, especially production & manufacturing, to survive in the face of increasing market competition, development of a technology database is seen crucial. The database will facilitate CSIs to adopt right and appropriate technology required for operating a particular business and thus, lead to increased productivity and growth.

Currently, CSIs’ access to technology is limited by factors such as lack of financial resources, reliable information about its source and availability, operational capacity of the firm etc. The fact that all industrial equipment/machinery need to be imported from outside makes the challenge more severe. An aspiring entrepreneur has to spend a significant amount of time and energy looking for the right machine/equipment. It is for these reasons that most CSIs adopt simple, low quality, manually operated and, perhaps inappropriate and outdated technology that frequently breaks down resulting in low productivity, poor competitiveness, and sluggish growth rate.

The Department in collaboration with UNESCAP and IT Division, MoEA would be developing the technology database for CISs in Bhutan. The database development will take place in two phases: i) development of blueprint, ii) and system development. The experts from UNESCAP will provide assistance in developing the blueprint and the system development will be done by IT Division, MoEA. The department will provide administrative support on: information, organizing meetings/workshops etc. The IT Division will train relevant officials of the department on the usage of the system for effecting regular updates.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sl. No.** | **Activities** | **Target** | **Amount (Nu.m)** | **Outcome** | **Timeline** |
| 1 | Development  of Blueprint | technology blueprint | 1.00 | Up-to-date technology related information available via database | 2019-2020 |
| 2 | Development of Database | Database linked with CSI portal/Ministry’s  website | 2020-2021 |

# STRATEGIC FRAMEWORK

The program’s key strategy is to provide end-to-end support for the businesses identified for support. Some of the key interventions include skills development, mentoring and guidance, product development and testing, industries development schemes business development services, marketing and linkage support, access to finance and land support among others. The following table shows specific support interventions that the program will provide based on the approaches.

# PROGRAM RESULT MATRIX

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Results (Outcome)** | **KPIs** | **Unit** | **Baseline** | **Total**  **target** | **Annual Target** | | | |
|  |  |  |  |  | **Year 1** | **Year 2** | **Year 3** | **Year 4** |
| **Outcome 1:**  Employment generated in CSI | Number of additional jobs  in CSI sector | Number | 0 | 2000 | 500 | 500 | 500 | 500 |
| **Outcome 1.1:**  Establishment of new CSIs | Number of new CSIs  established | Number | 0 | 361 | 90 | 90 | 90 | 91 |
| **Outcome 1.2:**  Number of existing CSIs supported | Number of existing CSIs supported | Number | 0 | 385 | 96 | 96 | 96 | 97 |
| **Outcome 1.3:**  Number of CSI products | Number of products | Number | 0 | 21 | 5 | 5 | 5 | 6 |

# 15. 2 PROGRAM ACTIVITIES BY OUTPUT, ESTIMATED BUDGET AND AGENCIES

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# 15.2.1 Entrepreneurship Culture (Skills Development)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outputs** | **Detail activities** | **Lead**  **Agency** | **Indicative outlay**  **(Nu in million)** | **Collaborative**  **Agencies** | **2019/20** | **2020/21** | **2021/22** | **2022/23** |
| Capacity building of DCSI officials,  TWG and EDOs | Capacity building of DCSI officials, TWG and EDOs (100) | DCSI | 20.00 |  | 3 | 5.5 | 5.5 | 6 |
| Mentorship program | To institutionalize mentorship program, honorarium and fielding  in of expert | DCSI | 4.00 | Baeyul Foundation,  Private Experts | 1 | 1 | 1 | 1 |
| Startup trainings and programs (185) | Startup Entrepreneurship Development Training Programs  (through CEFE) | MoLHR | 37.00 | TTIs, IZCs,  Colleges | 7 | 10 | 10 | 10 |
| Student Business Seedling  program | MoLHR | 6.00 | TTIs/IZCs,  Colleges | 1.5 | 1.5 | 1.5 | 1.5 |
| Micro-works and Online  freelancing | MoLHR | 3.50 | Relevant agencies | 0.5 | 1 | 1 | 1 |
| TOT on New Business Creation | MoLHR | 8.50 | Relevant agencies | 1.5 | 3.0 | 2.0 | 2.0 |
| Entrepreneurship Curriculum development for Entrepreneurship  Education | MoLHR | 2.00 | Royal Education Council, UN  bodies, NGO |  | 2.0 |  |  |
| Entrepreneurship Education  Capacity Development | MoLHR | 6.00 | Relevant agencies |  | 2.0 | 2.0 | 2.0 |
| Startup Innovation Tech week on  Lean Startup Launch pad | MoLHR | 11.00 | International  agencies | 2.0 | 3.0 | 3.0 | 3.0 |
| Vibrant Bhutan Grand Challenge  on Innovative Solution | MoLHR | 7.00 | International  agencies | 1.0 | 2.0 | 2.0 | 2.0 |
| Startup Hackathon Challenge | MoLHR | 7.50 | International  agencies | 1.5 | 2.0 | 2.0 | 2.0 |
| International Business Idea  Competition | MoLHR | 7.00 | International  agencies | 1.0 | 2.0 | 2.0 | 2.0 |
| Promotion and Networking | MoLHR | 8.00 | National & International  agencies | 2.0 | 2.0 | 2.0 | 2.0 |

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|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Start-up Acceleration program | MoLHR | 10.50 | International  agencies | 1.5 | 3.0 | 3.0 | 3.0 |
| Product/service prototyping  support | MoLHR | 13.00 |  | 1.0 | 4.0 | 4.0 | 4.0 |
| Business Incubation Management  capacity development for trainers | MoLHR | 8.00 | International  agencies | 2.0 | 3.0 | 3.0 | 0.0 |
| Skill Development for under Business Incubation centres  trainees | MoLHR | 25.00 | International agencies | 0.0 | 8.0 | 9.0 | 8.0 |
| Digital Fabrication (Fablab)  capacity development for trainers | MoLHR | 6.00 | International  agencies | 2.0 | 2.0 | 2.0 | 0.0 |
| Skill Development on Digital  Fabrication (Fablab) for trainees | MoLHR | 19.00 | International  agencies | 0.0 | 7.0 | 6.0 | 6.0 |
|  | **Total** |  | **209.00** |  | **28.5** | **64.0** | **61.0** | **55.5** |

# Entrepreneurship Culture (Infrastructure)

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|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outputs** | **Detail activities** | **Lead**  **Agency** | **Indicative outlay**  **(Nu in million)** | **Collaborative**  **Agencies** | **2019/20** | **2020/21** | **2021/22** | **2022/23** |
| Set up Common Facility Center | Procurement of machines for setting up the Common facility  center | DCSI | 50.00 |  |  | 25 | 25 |  |
| Development and furnishing of existing infrastructure | Development of existing infrastructure and furnishing  (Infrastructure) | DCSI | 12.00 |  | 8 |  |  |  |
| Development of existing infrastructure and furnishing  (furnishing) | DCSI |  | 4 |  |  |  |
| Security Service | Professional security service | DCSI | 2.50 |  | 0.624 | 0.624 | 0.624 | 0.624 |
| Incubation centers in Dhamdum, Samtse and Monggar (10-15  incubates) 120 m | Architectural design and cost estimates for incubation centers  at Samtse and Mongar | DCSI | 3.00 | DoI, Dzongkhag | 3 |  |  |  |
| Construction and furnishing of 1  incubation center at Monggar | DCSI | 58.50 | DoI, Dzongkhag | 5 | 26.75 | 26.75 |  |
| Construction and furnishing of 1  incubation center at Samtse | DCSI | 58.50 | DoI, Dzongkhag | 5 | 26.75 | 26.75 |  |
| Setting up Business  Incubation Centre | Establishment of Business  Incubation Center | MoLHR | 60.00 | TTI, IZCs,  Colleges | 15.0 | 15.0 | 15.0 | 15.0 |
| Setting up Fablabs | Establishment of Fab labs within  TTIs, IZCs and Colleges | MoLHR | 75.00 | TTI, IZCs,  Colleges | 25.0 | 25.0 | 25.0 | 0.0 |
|  | **Total** |  | **319.50** |  | **65.6** | **119.1** | **119.1** | **15.6** |

* + 1. **: Legal and Policy Framework**

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outputs** | **Detail activities** | **Lead Agency** | **Indicative outlay**  **(Nu in million)** | **Collaborative Agencies** | **Activity breakup** | **2019/20** | **2020/21** | **2021/22** | **2022/23** |
| Revised CSI policy, strategy and action plan (1.5) | 1. Printing of the final policy and Launch of the new Policy 2. Awareness programmes | DCSI | 1.50 | MoAF, APIC, RMA, BSB, MoF, MoLHR |  | 0.7 |  |  |  |
| Professional services for  Action Plan 2 development | DCSI |  |  |  |  |  |  | 0.8 |
| Contribution of CSI on GDP (2) | Baseline study for contribution of CSI to GDP | DCSI | 2.00 | NSB |  |  | 2 |  |  |
| Informal sectors supported (20) | Identify and study informal sectors in each Dzongkhag | DCSI | 4.00 | DoT, DAMC, DCSI, NSB,  Dzongkhags | 1. Carry out nation wide survey for  informal sectors |  | 4 |  |  |
| Institute measures in each Dzongkhag | DCSI | 16.00 | DoT, DAMC, DCSI | Based on the findings, institute  measures |  | 10 | 6 |  |
| Create a Forum for CSIs for public private dialogue  (2m) | Forum for CSIs | DCSI | 2.00 | DCSI |  | 0.5 | 0.5 | 0.5 | 0.5 |
|  | **Total** |  | **25.50** |  |  | **1.2** | **16.5** | **6.5** | **1.3** |

* + 1. **: Access to Finance and Incentives**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outputs** | **Major Activities** | **Lead**  **agency** | **Indicative outlay**  **(Nu in millions)** | **Collaborative**  **Agencies** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **Remarks** |
| CSI list updated for financing under Priority  Sector Lending | Facilitate credit access for 21 identified products and  CSI targets under flagship | MoLHR/ DCSI | 31.44 | PSL Council |  |  |  |  |  |
| **Total** |  |  | **31.44** |  |  |  |  |  |  |

* + 1. **: Human Capital Development**

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outputs** | **Detail Activities** | **Lead**  **agency** | **Indicative outlay**  **(Nu in million)** | **Collaborative**  **Agencies** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **Remarks** |
| Targeted skills  development training | Targeted skills development  training | DCSI | 94.80 |  | 27.4 | 27.4 | 20.0 | 20.0 |  |
| Development and Promotion of  Handicraft Sector | Development and promotion of Handicraft sector with TA  from SACICT Thailand | DCSI | 10.00 |  | 2 | 3 | 2.5 | 2.5 |  |
| Capacity building in post-harvest and equipment handling | Capacity building in post- harvest  and equipment handling   1. Identified 8 Agro Products 2. Farmer Groups and Co- operatives | DAMC | 12.00 | National Post Harvest Centre, BAFRA | 3 | 3 | 3 | 3 |  |
| Training on Product diversification, miniaturization, innovation and new  design | Training on product diversification, miniaturization, innovation and new designs targeted to  CSI clusters | APIC | 12.4 |  | 2.7 | 3.9 | 3.5 | 2.3 |  |
| Capacity building of APIC official, office bearer of clusters and  raw material bank | Capacity building of APIC officials, office bearer of the clusters and raw material bank | APIC | 1 |  |  | 1 |  |  |  |
|  |  |  | **130.20** |  | **35.1** | **38.30** | **29.0** | **27.8** |  |

* + 1. **: Market Access**

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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outputs** | **Detail activities** | **Lead**  **Agency** | **Indicative outlay**  **(Nu in million)** | **Collaborative**  **Agencies** | **Activity breakup** | **2019/20** | **2020/21** | **2021/22** | **2022/23** |
| Facilitate market | Awareness on GHP/ | BAFRA | 0.75 |  | Two days awareness | 0.25 | 0.25 | 0.125 | 0.125 |
| access for CSI | GMP/Certification |  |  | workshop for CSIs on |  |  |  |  |
| food products | requirements to |  |  | Food Safety Licensing |  |  |  |  |
| through Food | CSIs (1.50 m) |  |  | **as per GHP/GMP** |  |  |  |  |
| Product Testing |  |  |  | **requirements** |  |  |  |  |
| and Certification |  |  |  |  |  |  |  |  |
|  |  | BAFRA | 0.75 |  | Two days awareness | 0.25 | 0.25 | 0.125 | 0.125 |
|  |  |  | workshop for CSIs |  |  |  |  |
|  |  |  | on Food Product |  |  |  |  |
|  |  |  | Certification **as** |  |  |  |  |
|  |  |  | **per ISO 17065** |  |  |  |  |
|  |  |  | **requirements** |  |  |  |  |
|  | Subcontract | BAFRA | 1.00 |  | 1. Subcontract food | 0.25 | 0.25 | 0.25 | 0.25 |
| food samples |  |  | samples to reference |  |  |  |  |
| to reference |  |  | lab for authentication |  |  |  |  |
| laboratories for |  |  | of label and verification |  |  |  |  |
| authentication |  |  | of nutritional claims |  |  |  |  |
| of label and |  |  |  |  |  |  |  |
| verification of |  |  |  |  |  |  |  |
| nutritional claims |  |  |  |  |  |  |  |
| (1M) |  |  |  |  |  |  |  |
|  | Subcontract | BAFRA | 2.00 | 2. Subcontract food | 0.5 | 0.5 | 0.5 | 0.5 |
| food samples to |  |  | samples to reference |  |  |  |  |
| reference lab for |  |  | lab for testing as |  |  |  |  |
| testing as per |  |  | per food standard |  |  |  |  |
| requirements of |  |  | requirements for |  |  |  |  |
| ISO 17065 (2M) |  |  | certification and |  |  |  |  |
|  |  |  | accreditation |  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Increase ISO/IEC 17065 accreditation scope of BAFRA’s food product certification (14 M) | BAFRA | 14.00 |  | 1. Licensing of CSI’s against BAFRA’s GHP/  GMP requirements | 1 | 1 | 1 | 1 |
|  | BAFRA | 2. Preliminary Inspection of CSIs to assess against  BAFRA’s Food Product  Certification Scheme | 0.5 | 0.5 | 0.5 | 0.5 |
|  | BAFRA | 3. Product and Factory Evaluation against food Standard and  Certification Scheme | 1 | 1 | 1 | 1 |
|  | BAFRA | 4. Increase scope of ISO / IEC 17065  accreditation to include CSI flagship food products (Liaise with  Accreditation body) | 0.25 | 1 | 1 | 1 |
|  | BAFRA | 5. Yearly Factory and market surveillance of  certified products | 0 | 0.25 | 0.25 | 0.25 |
|  | Capacity Building of National Food Testing Laboratory (NFTL), Yusipang for testing identified products for ensuring food  safety (30 M) | BAFRA | 30.00 |  | 1. Establish fat content determination facility at NFTL | 6 | 0 | 0 | 0 |
|  |  | BAFRA |  |  | 2. Purchase of auto  - titration system for the determination of chemical parameters in oils | 0 | 0 | 2 | 0 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | BAFRA |  |  | 3. Installation of muffle furnace to determine  ash content | 1 | 0 | 0 | 0 |
|  |  | BAFRA |  |  | 4. Installation of HPLC unit for determination  of vitamins | 0 | 10 | 0 | 0 |
|  |  | BAFRA |  |  | 5. Increasing scope of testing using existing  major equipments | 0.5 | 0.7 | 0.25 | 0.25 |
|  |  | BAFRA |  |  | 6. Strengthen analysis of chemical contamination and  residue in food samples | 0.2 | 0.2 | 0.2 | 0.2 |
|  |  | BAFRA |  |  | 7. Purchase of microbiological test  equipments | 1.5 | 1.5 | 1 | 1 |
|  |  | BAFRA |  |  | 8. Introduction of new  microbiological test parameters | 0.5 | 0.5 | 0.5 | 0.5 |
|  |  | BAFRA |  |  | 9. Increasing NFTL’s  scope of accreditation | 0.25 | 0.25 | 0.5 | 0.5 |
| Product certification cost with technical expertise from outside Bhutan (3.85M) | Product certification cost with tech expertise from outside Bhutan for 11 products + reserve for additional  products | BSB | 3.85 |  | 1. Product certification as per the Product Certification Scheme |  | 1.75 | 2.1 |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Increase metrology lab’s scope of accreditation  -1m | Increase metrology lab’s scope of accreditation  in temperature, volume and pressure  measurement | BSB | 1.00 |  | 1. Procurement of metrology equipment | 1 |  |  |  |
| Development and adoption of  Standards (3.6) | Develop/adoption of standards | BSB | 3.60 |  | All 20 Products | 1.8 | 1.8 |  |  |
| Awareness on standards and conformity  assessment (1M) | Awareness on Certification and Conformity  Assessment | BSB | 1.00 |  |  | 0.5 | 0.5 |  |  |
| Brand Bhutan developed and implemented (15.71M) | Develop Guideline for BB (.20m) | DoT | 0.20 |  | 1. Conduct workshop with the relevant stakeholders to draft the guideline 2. Printing of the guideline for   circulation | 0.1 | 0.1 |  |  |
|  | Develop rules and regulations for BB (.25m) | DoT | 0.25 |  | Conduct workshop with stakeholders to develop the rules and  regulations | 0.25 |  |  |  |
|  | Develop criteria for two sector brands (6.26m) | DoT | 5 |  | Conduct workshop with stakeholders to develop product  specific criteria. | 3 | 0.5 | 0.5 |  |
|  | DoT | 1.26 |  | Pilot testing of the criteria on few selected  products | 1 | 0.065 | 0.065 |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Apply BB on CSI products (.65m) | DoT | 0.20 |  | Conduct workshop to familiarise BB  committee members of guidelines / R&R and  Criteria | 0.2 |  |  |  |
|  | DoT | 0.45 |  | Committee to meet and vet the products as and  when required | 0.05 | 0.2 | 0.2 |  |
|  | Develop product profile for CSI products where BB is applied (3m) | DoT | 3.00 |  | Hire international  / local consultant for developing the  product profile for CSI  prioritised products | 1.5 | 1.5 |  |  |
|  | Promote and market BB to international market (2m) | DoT | 2.00 |  | 1. Produce/design promotional materials such as Banners, pamphlets, flyers and etc 2. Print promotional materials 3. Attend Trade fairs for promoting Brand Bhutan   5. Carry out awareness  program |  | 1 | 1 |  |
|  | Registration of BB with IP (2.1m) | DoT | 2.10 | DoIP | Submission of registration forms and  register with DoIP | 2.1 |  |  |  |
|  | Develop expertise on Branding for core members involved in BB implementation  (1.25m) | DoT | 1.25 |  | Attend training or workshop on country branding | 1.25 |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Dedicated CSI marketplace at Changzamtog service center established  (98m) | Prepare, design and cost estimates for renovation and remodelling of the Service Center | DCSI | 2.00 | Thromde | Professional Services (renovation/ remodeling) | 2 |  |  |  |
|  | Remodeling and renovation of service center and establishment of one dedicated CSI  marketplace | DCSI | 90.50 |  | Remodelling and renovation | 10 | 45 | 35.5 |  |
|  | Develop business model for operation and management of  market place | DCSI | 1.50 |  | Professional Services (Business model) | 1.5 |  |  |  |
|  | Recruitment of  Engineer | DCSI | 4.00 |  | Recruitment of  Engineer | 1 | 1 | 1 | 1 |
| Market Infrastructure  - Collection Points (25 m) | Market Infrastructure - Collection Points | DAMC | 25.00 | Dzongkhags/ SoEs/ Thromdes | Market infrastructure feasibility study including cost benefit analysis, drawing and budget estimate,  intitiate construction of  structure | 5 | 10 | 5 | 5 |
| Market Linkage (7 m) | Market linkage | DAMC | 7.00 |  | Coordinate and conduct Multi-Stakeholder Meetings, create  business linkage | 3 | 2 | 1 | 1 |
| CSI outlets established outside Bhutan (10M) | 1. To conduct preliminary study for establishment of outlet 2. To establish CSI   sale outlet outside Bhutan | DCSI | 10.00 | MFA |  | 1 | 9 |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Market platforms  (8.85m) | Conduct National CSI Expo | DCSI | 0.85 |  |  | 0.85 |  |  |  |
|  | Annual CSI Fair  (incountry) | DCSI | 8.00 |  |  | 2 | 2 | 2 | 2 |
| Road shows and Networking [8 m] | Roadshows, exhibitions for networking and linkages with SME agencies in the region and to  explore investors in FDI in select CSI  sectors | DCSI | 8.00 |  |  | 2 | 2 | 2 | 2 |
| Product launching event  / ceremony (6m) | New CSI Product launching events | DCSI | 6.00 |  |  | 1.5 | 1.5 | 1.5 | 1.5 |
| CSI product mapping in 20 Dzongkhags  (3M) – DCSI | CSI product mapping | DCSI | 2.00 |  | Professional service to do product mapping |  | 2 |  |  |
| Establishment of Central yarn  banks [5 m] | Establish Central yarn bank | APIC | 5.00 |  |  | 3 | 2 |  |  |
| Construction of Common Facility Center  (CFC) 6m | Construction of common facility center at Radhi and  Tsebar | APIC | 6.00 |  |  |  | 6 |  |  |
|  |  |  | **249.51** |  |  | **59.55** | **108.63** | **61.63** | **19.70** |

* + 1. **: Business Development Support**

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|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outputs** | **Major Activities** | **Lead agency** | **(Nu in million)** | **Collaborative Agencies** | **Activity Breakup** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **Targets** |
| CSI  Development schemes (107) | 1. IDS- 400 CSIs 2. IVS- 8 CSIs 3. ESS- 120 CSIs | DCSI | 103.40 | RTIO/  Dzongkhag/ private sector | Supply of machinery/  equipments/ | 19.6 | 29.6 | 27.1 | 27.1 | 520 CSIs |
| DCSI | 1.60 | IVS | 0.4 | 0.4 | 0.4 | 0.4 | 8 CSIs |
| DCSI | 2.00 | Survey/Census | 0.5 | 0.5 | 0.5 | 0.5 | Scheme beneficiaries |
| Provision of Value Addition Equipment  (68M) | Provision of Value Addition Equipment | DAMC | 68.00 | Dzongkhags and Gewogs | Supply of Value Addition  Equipment through the C-BuDS  Scheme | 9 | 20 | 20 | 19 | Minimum of 136 Farmer Groups and Co- operatives |
| Packaging support (12m) | Packaging support | DAMC | 12.00 | Dzongkhags and Gewogs | Packaging support to FGs and Co- ops through the  C-BuDS scheme | 3 | 3 | 3 | 3 | Minimum of 48 Farmer  Groups and Co- operatives |
| Industries development scheme (3.9m  APIC) | Support clusters with preloom machines and  dyeing equipments | APIC | 3.90 |  |  | 3.9 |  |  |  |  |
| BEA (5M) | Bhutan Enterprise Award 1. Four (5) category of award (Small, Cottage, Woman, Rural and  Service) | DCSI | 5.00 |  |  | 1.25 | 1.25 | 1.25 | 1.25 |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Business Advocacy Workshop (2.6M) | Business Advocacy Workshops (BAW) | DCSI | 2.60 |  | 1. 2500 CSIs in 4 years covering all 20 Dzongkhag, final year TTI students, and RUB colleges. | 0.65 | 0.65 | 0.65 | 0.65 |  |
| Technology database for CSIs (1M) | Develop blueprint and Database | DCSI | 1.00 |  | 1. Meeting/ Workshop 2. Printing of blueprint 3. Develop   Database | 0.42 | 0.58 |  |  |  |
|  |  |  | **199.50** |  |  | **38.72** | **55.98** | **52.90** | **51.90** |  |

# 15.3 TOTAL BUDGET OUTLAY

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Activities** | **Budget estimate (Nu in m)** |
| 1 | Entrepreneurship culture | 528.50 |
| 2 | Legal and policy framework | 25.50 |
| 3 | Access to finance and incentives | 31.44 |
| 4 | Human capital development | 130.20 |
| 5 | Market access | 249.51 |
| 6 | Business development support | 199.50 |
| 7 | BCC Component (re-allocation) | 36.05 |
|  | **Total** | **1200.70** |

# ANNEXURES

# Annexure 1: List of Bhutan Enterprise Award Winners

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No** | **Entrepreneur** | **Business activity** | **Location** | **Award Category** |
| **Year 2013** | | | | |
| 1 | Athang Training Academy | Training institute | Thimphu | Cottage scale entrepreneur |
| 2 | Kuengacholing Poizokhang | Incense unit | Gelephu | Small scale entrepreneur |
| 3 | Kuenphen Dewachen incense  making unit | Incense unit | Monggar | Rural entrepreneur |
| 4 | Tshejor’s Ayzey | Pickle | Thimphu | Woman entrepreneur |
| **Year 2014** | | | | |
| 1 | Tagma Handmade paper  factory | Handmade paper | Zhemgang | Cottage scale entrepreneur |
| 2 | Bio Bhutan | Herbal products | Thimphu | Small scale entrepreneur |
| **Year 2015** | | | | |
| 1 | Nado Poizokhang | Incense unit | Thimphu | Cottage scale entrepreneur |
| 2 | Bio Bhutan | Herbal products | Thimphu | Small scale entrepreneur |
| 3 | Tenzin Penjor incense making | Incense unit | Lhuentse | Rural entrepreneur |
| 4 | Natural and organic food  processing unit | Food processing | Thimphu | Woman entrepreneur |
| **Year 2016** | | | | |
| 1 | Lama Bakery | Bakery | Thimphu | Cottage scale entrepreneur |
| 2 | Jungshi Handmade paper  factory | Handmade paper | Thimphu | Small scale entrepreneur |
| 3 | Lhendup incense  manufacturing unit | Incense unit | Bumthang | Rural entrepreneur |
| 4 | Yoezer Lhamo Milk  processing unit | Milk processing unit | Bumthang | Woman entrepreneur |
| **Year 2017** | | | | |
| 1 | Rikesh Gurung | Waste based | Thimphu | Small scale |
| 2 | Transcend Artisan | Wood based | Thimphu | Cottage scale |
| 3 | Gomphukora Water Plant | Mineral Water | Tyangtse | Rural entrepreneur |
| 4 | CDK | Fashion designer | Thimphu | Woman entrepreneur |
| **Year 2018** | | | | |
| 1 | Gyeltshen Furniture house  (Sonam Chuki) | Furniture unit | Gelephu | Small scale |
| 2 | Bhutan Alternatives | Ewaste recycling unit | Thimphu | Cottage scale |
| 3 | Karma Incense | Incense unit | Sjongkhar | Rural entrepreneur |
| 4 | Yeshi Dema Hollow block unit | Hollow block | Bumthang | Woman entrepreneur |

# Annexure 2: List of Cooperatives / Farmers Group [156 with 4382 members]

|  |  |  |
| --- | --- | --- |
| **Dzongkhag** | **Number** | **Total members** |
| Pema Gatshel | 9 | 315 |
| Tyangtse | 9 | 149 |
| Mongar | 9 | 153 |
| Tashigang | 9 | 168 |
| Lhuentse | 6 | 176 |
| Samdrup Jongkhar | 10 | 444 |
| Bumthang | 2 | 120 |
| Zhemgang | 2 | 42 |
| Sarpang | 4 | 384 |
| Dagana | 18 | 395 |
| Trongsa | 1 | 35 |
| Tsirang | 4 | 104 |
| Chukha | 10 | 154 |
| Gasa | 2 | 65 |
| Haa | 8 | 240 |
| Paro | 9 | 267 |
| Punakha | 2 | 91 |
| Samtse | 9 | 180 |
| Thimphu | 12 | 283 |
| Wangdue | 21 | 617 |

# Annexure 3: List of CSI Clusters [24 with 926 members]

|  |  |  |
| --- | --- | --- |
| **Sl No** | **Activity** | **Location** |
| 1 | Textile (8) | Bumthang, Lhuentse, Tgang, PG, TY (2), SJ, Thimphu |
| 2 | Cane and Bamboo (2) | Zhemgang and SJ |
| 3 | Metal (2) | PG and Thimphu |
| 4 | Nettle weaving (2) | SJ and TG (2 each) |
| 5 | Wood carving and wood works (2) | Thimphu and TG |
| 6 | Wood turning and lacquering (1) | TY |
| 7 | Cotton weaving (1) | PG |
| 8 | Painting and patra (1) | Thimphu |
| 9 | Natural dye (1) | Thimphu |
| 10 | Stone carving (1) | SJ |
| 11 | Bronze Casting (1) | Thimphu |

# Annexure 4: List of 104 RIDS beneficiaries

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|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Sl**  **No** | **Promotor** | **Enterprise** | **Location** | **Dzongkhag** | **Contact**  **No.** | **To be**  **supported in** |
| 1 | Lhendup | Incense Unit | Chumey | Bumthang |  | 2019 – 2020 |
| 2 | Pema Wangchey | Con. Bricks | Ramitay | Chukha |  |
| 3 | Sonam Tobgay | Tobgay Incense Unit | Choethrom | Trongsa |  |
| 4 | Mr. Tshewang Rinzin | Traditional Mask Making Unit | Chokhorling | Sarpang |  |
| 5 | Pema Tenzin | Incese Making Unit | Chaskhar | Mongar |  |
| 6 | Tenzin Dorji | Incense making Unit | Bartsham | Trashigang |  |
| 7 | Yeshi Lhendup | Modern Dapa Manufacturing Unit | Gelephu | Sarpang |  |
| 8 | Dorji | Mud bocking making unit | Haa | Haa |  |
| 9 | Tenzin Penjore | Incense Manufacturing Unit | Menbi | Lhuntse |  |
| 10 | LamChoe Nying Rangdol | Incense Manufacturing Unit | Gangzur | Lhuntse |  |
| 11 | Mrs. Zangmo | Incense Manufacturing Unit | Autsho, Chhali | Lhuntse |  |
| 12 | Mrs. Singye Wangmo | Mud bocking making unit | Lumang | Trashigang |  |
| 13 | Mr. Kumbu Dorji | Incense Manufacturing unit | Khewang, Phobjikha | Wangdue | 17860336 |
| 14 | Mr. Lhendup Namgyal | Hollow Bricks production unit | Tamzhing | Bumthang | 17750100 |
| 15 | Mr. Wangchuk | Hollow-bricks production unit | Tangmachu | Lhuentse |  |
| 16 | Mr. Nima | Wood Carving unit | Merak | Trashigang | 17827593 |
| 17 | Mr. Lobzang Zimba | Concrete Bricks Manufacturing unit | Kundrelthang | Dagana | 17942389 |
| 18 | Tandin Wangchuk | Mud Block unit | Samthang | Wangdue | 17705993 |
| 19 | Tenzin Tshewang | Noodle production unit | Tseykha, Zomi | Punakha | 17567575/  77615141 |
| 20 | Pema Wangdi | Dapa and ‘Nga’ production unit | Yadhi, Ngatshang | Mongar | 17322370 |
| 21 | Phuntsho Wangmo | Buckwheat noodle production unit | Startup Centre, Changzamtog | Thimphu | 17693773 |
| 22 | Mr. Shankar Tamang | Cane & Bamboo Manufacturing unit | Saduzhima ka (Chargharay | Samtse | 17774318 |
| 23 | Mr. Ugyen Khandu | Cane & Bamboo Manufacturing unit | Lakhu | Punakha | 17898669 |
| 24 | Chencho Wangdi | Herbal Tea production unit | Kabisa | Thimphu | 77446797/  77370713 |
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| **Sl**  **No** | **Promotor** | **Enterprise** | **Location** | **Dzongkhag** | **Contact**  **No.** |  |
| 1 | Ugyen Dorji | Furniture Making Unit | Chendeepji | Bumthang |  | 2020 - 2021 |
| 2 | 5 members | Furniture Making Unit | Kuenga Rapten | Trongsa |  |
| 3 | Mr. Sonam | Furniture Making Unit | Kangduma, Jamkhar | Trashiyangtse |  |
| 4 | Mr. Kuenga Dendup | Furniture Making Unit | Semji, Nubi | Trongsa |  |
| 5 | Mr. Gyenden | Furniture Making Unit | Robtangkhar, Ngatshang | Monggar |  |
| 6 | Chencho Dorji | Furniture Making Unit |  | Wangdue |  |
| 7 | Brothers Diary | Yoghurt plant | Rhama | Thimphu |  |
| 8 | Mindu Zangmo | Furniture Making Unit | Samdrupcholing | Samdrupjongkhar |  |
| 9 | Mr. Gonpola | Handmade paper making unit | Bumdeling | Trashiyangtse |  |
| 10 | Ms. Ugyen Tshomo | Furniture Making unit | Pemathang | Samdrupjongkhar |  |
| 11 | Mr. Rinchen Dorji | Furniture Unit | Tshimasham | Chukha | 17683672 |
| 12 | Youth Farmers’ group | Vegetable oil processing unit | Nabji, Korphu | Trongsa | 16325053/ 17733338 | |
| 13 | Mr. Choten Zangpo | Furniture unit | Chamgang, Thimphu | Thimphu | 17654820 | 2020 - 2021 |
| 14 | Mr. Dorji | Rice Processing unit | Gelephu | Gelephu | 17112010 |
| 15 | Mr. Kamal Pradhan | Mustard oil production unit | Gelephu | Gelephu | 17164155 |
| 16 | Mr. Penjor | Yoghurt Processing unit | Haa | Haa | 17977481 |
| 17 | Mr. Tshering Wangchuk | Furniture unit | Paro | Paro | 17603931 |
| 18 | Mr. Tshering Penjor | Furniture manufacturing unit |  | Lhuentse |  |
| 19 | Mr. Wangdi | Milk processing unit | Ura | Bumthang | 17949509 |
| 20 | Ms. Dorji Bidha | Milk Processing unit | Phondo, Tsento | Paro | 17491676 |
| 21 | Mr. Phuntsho Yonten | Potato Chips Manufacturing unit | Bjemina | Thimphu | 17481748 |
| 22 | Yeshi Jamtsho | Diary Processing unit | Wangchang | Paro | 17728756 |
| 23 | Karma Yangdon | Potato Chips Manufacturing unit | Wangsisina | Thimphu | 17399003 |
| 24 | Rinchen Nidup | Bhutan Agar Wood Company | Goshing | Zhemgang | 17784241 |
| 25 | Ugyen Dorji | Furniture unit | Samthang, Ngala | Zhemgang | 77400975 |
| 26 | Jigme Lhendup | Mustard Oil Extraction unit | Taktse | Trongsa | 17609775 |
| 27 | Kuenzang Wangchuk | Aromatic herbs and oils production unit | Bondey, Luni | Paro | 17289501/ 77998822 | |
| 28 | Kinzang Wangmo | Yoghurt production unit | Thinley gang, Toeb gewog | Punakha | 17689392/ 17590331 | |
| 29 | Gado Lham Doya | Desho handmade paper production unit | Lotukuchu Jigme | Samtse | 17510129/ 77481784 | |
| 30 | Dawa Wangmo Sherpa | Desho handmade paper production unit | Yokha, Gakiling | Haa | 77369637 |  |
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| **Sl**  **No** | **Promotor** | **Enterprise** | **Location** | **Dzongkhag** | **Contact**  **No.** |  |
| 1 | Sangay Dorji | Backery | Sherubling | Trongsa |  | 2021 - 2022 |
| 2 | Dorji Zam | Weaving | Nobgang | Punakha |  |
| 3 | Wangchuk | Wangchuk Steel Fabrication | Khangku | Paro |  |
| 4 | Choba Dukpa | Backery | Damphu | Tsirang |  |
| 5 | Tshering | Tashi Automobile & Fabrication | Gongkhar | Bumthang |  |
| 6 | Mr. Sherab | Sherab Pelri Manufacturing Unit | Tali | Zhemgang |  |
| 7 | Kencho Norbu | Lime Manufacturing unit | Chendhepji | Trongsa |  |
| 8 | Wangmo | Lime Manufacturing unit | Chendhepji | Trongsa |  |
| 9 | Gyeltshen | Lime Manufacturing unit | Chendhepji | Trongsa |  |
| 10 | Damcho | Lime Manufacturing unit | Chendhepji | Trongsa |  |
| 11 | Dema | Lime Manufacturing unit | Chendhepji | Trongsa |  |
| 12 | Tshering Zangmo | Lime Manufacturing unit | Chendhepji | Trongsa |  |
| 13 | Tarayana Foundation | 2 stitiching Machines | Thimphu | Thimphu |  |
| 14 | Mr. Tobgay | Automobile Workshop | Kheri | Trashigang |  |
| 15 | Mr. Tobjay | Automobile Workshop | Rangjung | Trashigang |  |
| 16 | Ms. Sherubmo | Linme Making Unit |  | Mongar |  |
| 17 | Mr. Sonam Jamtsho | Dye Supply Unit | Nagor & Gongdu | Mongar |  |
| 18 | Mr. Tandin | Lime Making Unit | Chendeepji | Trongsa |  |
| 19 | Radhi Aumtsu Tshogpa | Weaving Center-Machi Handloom | Radhi | Trashigang |  |
| 20 | Mr. Bhupendra Bhujel | Bakery | Yadhi | Monggar |  |
| 21 | Ms. Sherab Yangdon | Beauty Parlour | Trashigang | Trashigang |  |
| 22 | Ms. Dawa Dem | Steel Fabrication and manufacturing unit | Tshangchuthama | Samdrupjongkhar |  |
| 23 | Ms. Sonam Yangzom | Expansion of furniture unit | Gaptey | Paro |  |
| 24 | Radhi Aumtshu Tshogpa | Additional fund for repairment of  handlooms |  |  |  |
| 25 | Dakphel Women’s group | Agro-based products manufacturing unit | Zhemgang |  | 17733251 |
| 26 | Ms. Choney Zangmo | Maize processing unit | Babethang, Tshangkhang | Dagana | 16901468 |  |
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| **Sl**  **No** | **Promotor** | **Enterprise** | **Location** | **Dzongkhag** | **Contact**  **No.** |  |
| 1 | Ms. Tshering Lhamo | Production of color soil | Tsatse, Womwrong | Tashigng |  | 2022 - 2023 |
| 2 | Mr. Dawa Tshering | Metal Sculpture unit | Lingimithang | Monggar |  |
| 3 | Ms. Kencho Wangmo | Water servicing & Tyre repairing unit | Khamoed | Gasa | 17637448 |
| 4 | Ms. Kencho Pem | Tailoring unit | Khamoed | Gasa |  |
| 5 | Khenrig Namsum  Cooperative | Agro-based products manufacturing unit | Tingtibi | Zhemgang | 17630566 |
| 6 | Mr. Jigme Tshewang | Stone Sculpture unit | Baytseling, Lauri | Samdrup Jongkhar | 17877648 |
| 7 | Ms. Ugyen Pemo | Maize Processing unit | Tsebar, Khar | Pemagatshel | 77448000/ 17686919 | |
| 8 | Mr. Sangay Dorji | Tailoring unit | Sakteng | Trashigang | 17914173 |  |
| 9 | Happy Green  Cooperative | Production of Fuel Cookies (shorter size  briquettes) | Gomsoom, Tsholingkhar | Tsirang | 77102949 |
| 10 | Kinga Yezer | Fabrication unit | Khaling | Trashigang | 17967278/ 17593993 | |
| 11 | Ugyen Dorji | Mask Production unit | Bjemina | Thimphu | 17655303/ 77451979 | |
| 12 | Kunzang Tenzin | Bakery unit | Bongo | Chukha | 17605766/ 05-282340 | |
| 13 | Tula Ram | Blacksmithing | Jalikhar | Bumthang | 17835778 |  |
| 14 | Phurba Tshering | Handicrafts Production | Chokhorling | Bumthang | 17616584/ 77616584 | |
| 15 | Jambay Dorji | Alpine Seed Production | Woochu | Paro | 17111440 |  |
| 16 | Nado | Production of Religious items | Refey | Trongsa | 17928435 |
| 17 | Choki Lhamo | Maize processing unit | Pam, Trong gewog | Zhemgang | 17801701 |
| 18 | Youth in Agriculture  Programme | Mushroom Spawn production unit | Bunakha | Chukha | 17559915/ 17898010 | |
| 19 | Puran Rai | Socks production unit | Lower Chokhorling,  Chokorling | Sarpang | 17317875 |  |
| 20 | Anil Chhetri | Ice Cream production unit | Yangphelthang, Norbugang | Samtse | 77336689/ 17721217 | |
| 21 | Ugyen Dorji | Waste management unit | Jangsa | Paro | 77492596 |  |
| 22 | Dhan Kumar Shyangden | Waste management unit | Bajo, Thedtsho | Wangdue Phodrang | 17747599/  77747599 |
| 23 | Sushanta Sharma | Candle production unit | Dewachen, Tashicholing | Samtse | 17380858/  77381136 |
| 24 | Tshering Dorji | Apple Chips production unit | Paga, Chapcha | Chukha | 17464401 |
| 25 | Karma Yangchen (Druk  Tsho Nying group) | Natural Dyeing processing group | Aubgitrang | Punakha | 17609998 |

**Annexure 5: List of incubates at Startup Center, Changzamtog**

* 1. **Incubates details at new Startup center**

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| --- | --- | --- | --- |
| **Sl.**  **No** | **Name** | **Company/Business activity** | **Email add & Contact No.** |
| 1 | Sangay Wangmo | Sculpturing & Crochet  Production | 17465539 [jangchuwangmo@gmail.com](mailto:jangchuwangmo@gmail.com) |
| 2 | Sangay Thinley | Vacuum Fried fruits &  vegetables | 1797 1801 [sto8891@gmail.com](mailto:sto8891@gmail.com) |
| 3 | Karma Yogini | Production of Sanitary Pads | 77617599 [karmayogini44@gmail.com](mailto:karmayogini44@gmail.com) |
| 4 | Kinga Jamtsho | Fabric Shopping Bag | [kingpee.kj@gmail.com](mailto:kingpee.kj@gmail.com)  17551338/17944789 |
| 5 | Tenzin Norbu | Fabrication of stainless steel | [17692186](mailto:17692186xcennor@gmail.com) [xcennor@gmail.com](mailto:xcennor@gmail.com) |
| 6 | Rinzin Dorji | Packaging Box | 17344453 [zangpozor@gmail.com](mailto:zangpozor@gmail.com) |
| 7 | Karma T Dolma | Mushroom Products | 17120104 [dolmakarmat@gmail.com](mailto:dolmakarmat@gmail.com) |
| 8 | Chandra Maya Bhujel | Recycling (cloths)  Production | 17421303  [chandramayabhujel@gmail.com](mailto:chandramayabhujel@gmail.com) |
| 9 | Gyempo Wangchuk | Contemporary Arts | 17276713 [gyempooo@gmail.com](mailto:gyempooo@gmail.com) |
| 10 | Monjit Nepal | Creative Artworks | 17649329 [monjitnepal3@gmail.com](mailto:monjitnepal3@gmail.com) |
| 11 | Sonam Tashi | Miniature Bhutan | 17474730 [sonamtashi0@gmail.com](mailto:sonamtashi0@gmail.com) |
| 12 | Penjor Dorji | Thangka Painting | 17992685 [penjordorji39@gmail.com](mailto:penjordorji39@gmail.com) |
| 13 | Jangchu Dorji | Lamp Shade | 77826533 [jangchunorbu5@gmail.com](mailto:jangchunorbu5@gmail.com) |
| 14 | Pema Chozom | Chechay Sanitary pad | 17550171 [pchozom26@gmail.com](mailto:pchozom26@gmail.com) |
| 15 | Basant Gurung | Software & Network Dev. | 17941954  [empireinternationla89@gmail.com](mailto:empireinternationla89@gmail.com) |
| 16 | Pema C Gyeltshen/  Kuenga Dhendup | Production of Essential oil | 77705542 [birahanix.me@gmail.com](mailto:birahanix.me@gmail.com) |
| 17 | Dorji Dema | Veg. Meat products | 17707447 [ljeezal@gmail.com](mailto:ljeezal@gmail.com) |
| 18 | Suyesh Chetri/Rikesh  Gurung | Recycling of Plastics | 17674125 [yangrub507@gmail.com](mailto:yangrub507@gmail.com) |
| 19 | Kinley Pelden | Yiga Chocolate Production | 17705885 [yigabhutan@gmail.com](mailto:yigabhutan@gmail.com) |
| 20 | Rinchen Dorji | Development of music apps | 17934845 [rintfint@gmail.com](mailto:rintfint@gmail.com) |
| 21 | Dawa Tshering | packaging of Herbal teas | 1799 7663 [tsheringd12@gmail.com](mailto:tsheringd12@gmail.com) |
| 22 | Kesang Anayat Yaganegi | Paper mash/Mask Making | 17320110/17743677  [karmawangchuk@gmail.com](mailto:karmawangchuk@gmail.com) |
| 23 | Kinley Wangchuk | P2P Lending Platform | 17851327/17725812  kinleydrukpawangchuk@gmail.com & [b.bikahsgurung@gmail.com](mailto:b.bikahsgurung@gmail.com) |

* 1. **Incubates details at old service center**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.**  **No** | **Name** | **Company/Business activity** | **Email add & Contact No.** |
| 1 | Ugyen Wangmo | TSEM - Educational Toys | [17170455](mailto:17170455gyetse@gmail.com) [gyetse@gmail.com](mailto:gyetse@gmail.com) |
| 2 | Chimi Lhamo | Mountain Mist – Soap | 17334003  [mountainmistsoaps2016@gmail.com](mailto:mountainmistsoaps2016@gmail.com) |
| 3 | Bishnu Prasad Sharma | Dumba 3D Works | [77226878](mailto:77226878dumda2k14@gmail.com) [dumda2k14@gmail.com](mailto:dumda2k14@gmail.com) |
| 4 | Phuntsho Wangmo | Buckwheat Noodles | 17693773 |
| 5 | Sangay Thinley Dorji | Happy Green Cooperatives | 77102949 |
| 6 | Karma Gyamtsho | Happy Green Cooperatives | [17606900](mailto:17606900karma.gyamtsho@gmail.com) [karma.gyamtsho@gmail.com](mailto:karma.gyamtsho@gmail.com) |
| 7 | Sonam Dorji | Mawongpa Water Treatment | 17115539 [sdorji25@gmail.com](mailto:sdorji25@gmail.com) |
| 8 | Pelden Wangchuk &  Kelzang Dorji | Nazhoen Food Processing | 17563402/17574897  [kelzang.dorji21@gmail.com](mailto:kelzang.dorji21@gmail.com) |