



Cottage and Small Industry Action Plan (2019 to 2023)

**Ministry of Economic Affairs
Royal Government of Bhutan**

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1. CSI Action Plan (2019-2023)

1.1 Introduction

The objectives of CSI Policy 2019 comprise of six strategic domains of entrepreneurship ecosystems namely:

- i. Policy and Legislative Framework
- ii. Entrepreneurship Culture and Human Capital Development
- iii. Business Development Support and Infrastructure
- iv. Access to Finance and Incentives
- v. Innovation and Technology Adoption
- vi. Access to Market

This document, the 1st CSI Action Plan (2019-2023) of such three Action Plans converts the measures identified in the CSI Policy 2019 into a matrix of activities, responsibilities, deadlines and resources.

Future reviews will add depth to the future Action Plans, enabling the program of measures to be rolled over until 2030.

1.2 Implementation Mechanisms

This section discusses the responsibility for the coordination of the implementation of the CSI Policy 2019, the consultation process, how the policy will be monitored and evaluated, and finally identifies the sources of funding for its implementation.

1.2.1 Evidence Based Policy Making

In preparing the CSI Policy 2019, the Department for Cottage and Small Industry (DCSI), Ministry of Economic Affairs has conducted detailed research on numerous aspects of CSI development. Relevant stakeholders were involved in the research and/or the consultation processes (see below). The overall measures fall within the priorities of the Royal Government of Bhutan (RGoB), as established based on the Gross National Happiness (GNH) philosophy. Discussions were held with public and private institutions on the specific measures, responsibilities and deadlines to be implemented in this Action Plan, to maximize the degree of ownership on their part and as well as on DCSI's part.

1.2.1.1 Consultation

The previously discussed background research led to a series of draft measures. These draft measures (Action Plans and the matrix) were first discussed, drafted and then have been validated with all concerned stakeholders. The feedback obtained was incorporated into the final version of this Action Plan covering the period 2019-2023. This represents the outcome of this wide-ranging consultation process.

1.2.2 Implementation Period

The CSI Policy and the subsequent Action Plans must be both aspirational and ambitious if they are to have the desired transformational impact. However, it is critical for the time period to be realistic, to be capable of being implemented. The overall timeline for the CSI Policy 2019 is until 2030. This is a realistic time period within which to achieve meaningful CSI sector development.

1.2.3 Responsibility for Implementation

The MoEA has overall responsibility for the implementation of the CSI Policy 2019 as well as the related Action Plans but within the MoEA, the Department of Cottage and Small Industry is responsible for the overall management and coordination.

However, since CSI development is horizontal or cross-cutting in nature, it is not only the MoEA that has responsibility to implement the CSI Policy but other parts of agencies will also be responsible. These have been and will continue to be involved in the process of preparing and implementing the subsequent Action Plans.

1.2.4 Coordination of Implementation

Given the horizontal or cross-cutting nature of the CSI development, they can only be effectively implemented through:

Committee of Secretaries (CoS): The Committee of Secretaries will be the inter-Ministerial Coordination Committee and will oversee the implementation of the Action Plans. The DCSI will act as the Secretariat of the inter-ministerial coordination body and will prepare six monthly Action Plan implementation reports to be submitted to CoS.

1.2.5 Monitoring and Evaluation

DCSI is responsible for monitoring and evaluation and this will be achieved through the following tools:

- i. DCSI, MoEA in collaboration with lead agencies and relevant stakeholders

shall develop, implement and monitor the action plans. A periodic progress report shall be submitted to CoS.

- ii. Independent evaluation of the Action Plan and to roll out the subsequent Action Plans.
- iii. Independent evaluation of the CSI Policy and Action Plans by mid-2030 to formulate a new Policy.
- iv. Gross National Happiness Commission (GNHC) Secretariat shall ensure that the specified activities for agencies involved are incorporated in the respective Annual Performance Agreement and secure adequate resources to implement the Policy.
- v. GNHC shall also monitor the Policy according to the GNHC Secretariat's Policy Monitoring Framework and carry out post adoption evaluation.

1.2.6 Implementation Budget

The resources required for the implementation of the CSI Policy will be determined according to the specification of the Action Plans. The resources will come from two principal sources:

- i. State budget: Resources to implement the Action Plan will be secured through the state fund. Each organization is responsible for incorporating the CSI Action Plan, including the resource requirements, into their annual plans. Each lead/implementer is responsible for mobilizing resources for implementation of the CSI Action Plans, with MoEA and GNHC support
- ii. International community: Not all the necessary resources for CSI development can be provided by the state budget. The MoEA will liaise closely with the GNHC in order to establish an efficient resource mobilization process to ensure that state funding is supplemented by resources from the international donors in a timely and coherent manner.

2. CSI Action Plan (2019-2023): Matrix

2.1 Action Plans:

Most measures relate to activities to be carried out during the current Action Plan (2019-2023). However, in certain cases the measures will roll out to subsequent Action Plans covering the entire period of the CSI Policy.

Strategic Objective 1: Policy and Legislative Framework

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline					Indicator (s)	Base Line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023-)					
1	Build forum for CSIs to ensure regular, proactive, two-way public private dialogue between the CSI sector and the relevant RGoB agencies.	Build forum for CSIs to ensure regular, proactive, two-way public private dialogue between the CSI sector and the relevant RGoB agencies.	DCSI, MoEA	BAEYUL, Loden MoAF, MoLHR, APIC	2 m						Number of meetings held		7 forums/ dialogue to be held till 2023	ToR for the forum developed	CSI Flagship
2	Revise the Rules and Regulations for the Establishment and Operation of Commercial and Industrial Ventures in Bhutan, 1995.	Revise the Rules and Regulations for the Establishment and Operation of Commercial and Industrial Ventures in Bhutan, 1995.	DCSI, MoEA	MoEA (DoT, DoI, RTIOs, PPD)							Revised R&R in place	1995 Rule	June-20	Rules Revised but approval pending.	The rules had already been approved by the Rule Making Committee of the Ministry and will be put up in the upcoming PPCSC meeting
3	Adopt an Integrated Business licensing system- end to end automation for CSIs to ease doing business	End to end automation of business licensing system	MoEA	MoEA/ MoIC							Integrated business licensing system		Digital Drukgyul FG	MoIC shall provide technical backstop to enable efficient implementation	Digital Drukgyul FSP under MoIC
4	Establish Integrated E-platform for tax filing, licensing and registration	Organize meetings with relevant stakeholders for integration of other related system for tax administration and registration	MoF	MoF/ MoEA/ MoIC	-						Integrated e-platform			DRC, MoF is implementing the Bhutan integrated Tax System and they have conducted tender and work is in the process of award.	This is not part of Digital Drukgyul
5	Adopt registration system for cottage scale industries with validity of 3 years for those activities not requiring any sector clearance and those not in the restricted category	Registration system for cottage scale industries with validity of 3 years.	DCSI, MoEA	DoT, DoI& RTIOs	-						Registration system in place		June-23	Put up a note to the Ministry for renewal fees. Draft a rule/guideline for the implementation.	

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023-)					
6	Develop e-commerce regulatory frame work and provide necessary support to use e-commerce platforms by CSIs	Develop e-commerce regulatory frame work to ease doing business.	DoT, MoEA	Relevant Stakeholders	-						Regulatory framework in place	June-20	E-Commerce Guideline being developed and adopted	E-Commerce Guideline launched during BEFIT 2019	
7	Assess the feasibility of providing protection to CSIs under the Bankruptcy Bill	Assess the feasibility of providing protection to CSIs under the Bankruptcy Bill	MoF/ OAG	MoEA	-						Accessibility Study	June-20	The Bankruptcy bill has been reviewed by OAG and submitted to MoF. Organize meeting for integration of tax system with stakeholders--The IT team will be taking this up. Organize workshop for taxpayers on BIT filing process--BIT filing process yet to be conducted, targeted in December, 2019	Needs an expertise to prepare and finalize the bill	
8	Establish consultation forum for tax administration reforms affecting CSIs to bring about ease in tax filing by the CSIs	Organize workshops with tax payers on the process of BIT filing and it's assessments	MoF (DRC)	MoEA	-						Number of complaints/ meetings	4 meetings/ dialogues held			
9	Encourage corporate entities to support CSI development as part of their CSR	Encourage corporate entities to support CSI development.	DHI/ BCCI	MoEA	-						CSI supported	June 2030	DHI will get back on this component after discussion with GNHC. Not exactly committed. Support to be rendered to Digital Startups.		
10	Prepare Satellite CSI accounting to account CSI contribution to the economy	Satellite CSI accounting to account CSI contribution to the economy.	NSB/ MoEA	MoF	2m						Study report	June-21	Letter written to NSB. Needs to validate CSI data (SBPD)	CSI Flagship	

Sl #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023-)					
11	Revision of CSME 2012 Policy & CSI Report	Adopt CSI Policy 2019 and create awareness programmes.	DCSI, MoEA	MoAF, APIC,RMA, BSB,MoF,	0.1m								Successfully launched the policy in July,2019 and ongoing		
		Develop subsequent Action Plans	DCSI, MoEA	MoLHR ,BCCI	0.8m							December-23	Developed a draft format for Action Plan		
12	Inter-Ministerial Coordination	DCSI to prepare Six Monthly Progress Reports on implementation of CSI Action Plan for CoS	DCSI, MoEA										1st Progress Report by December,2019	Submit the final report to CoS by December, 2019.	
		Meetings with GNH Commission/Cabinet to be convened, if required	DCSI, MoEA											Meeting to be convened as and when required	
13	CSI Report	Collect, analyze and disseminate annual CSI Report	DCSI, MoEA										End of every fiscal year		

Strategic Objective 2: Entrepreneurship Culture and Human Capital Development

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023					
14	Develop an advocacy program for promotion of entrepreneurship culture	14.1 Awareness Raising Programs and entrepreneurship activities to influence perceptions towards entrepreneurship.	MoLHR (DoEHR/ DTE)	MoEA	8m					Awareness programs		1000 students from Colleges, TVET and Schools	Will be conducted next year around April,2020	Startup Flagship
		14.1. 2 Conduct Business Advocacy Program.	DCSI, MoEA	Relevant Stakeholders	2.6 m					advocacy conducted	2352	2500 participants	Business Advocacy Workshop to be conducted in October,2019	CSI Flagship
15	Integrate entrepreneurship learning & culture at all educational levels.	15.1 Conduct Business Seedling Program.	MoLHR (DoEHR/ DTE)	Relevant Stakeholders	6 m					Business Seedling Program conducted	NA	8 events by June 2023	Planning for this coming winter.	Startup Flagship
		15.1.2. Entrepreneurship Development Training (Micro works and online free lancing, ToT on new business creation and counseling, entrepreneurship education development and capacity development for EDP teachers).	MoLHR (DoEHR/ DTE)	Relevant Stakeholders	63m					To T conducted & capacity developed	NA	June-23	DoEHR, MoLHR has not planned for this component as of 21/8/2019	Startup Flagship
		15.1.3. Startup acceleration and prototyping.	MoLHR ,DoEHR	Relevant Stakeholders	23.5 m					Startup acceleration program conducted	NA	July-23	DoEHR, MoLHR has not planned for this component as of 21/8/2019	Startup Flagship

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023-)					
16	Encourage entrepreneurship competition and fairs at all educational levels.	16.1. Startup programs / events (hackathon on technology, startup week, business idea competition - within and outside Bhutan, and conduct promotion and networking).	MoLHR, DoEHR	Relevant Stakeholders	64m						Startup program and events conducted	NA	June-23	DoEHR, MoLHR has not planned for this component as of 21/8/2019	Startup Flagship
17	Support the winning ideas of various entrepreneurship competitions.	17.1. Facilitate materialization of the winning ideas into a viable business ventures through necessary support and facilitation to new startups 17.1.2. Award to recognize and reward potential entrepreneurs. 17.1.3. Establish a female entrepreneur of the year award	DCSI, MoEA	Relevant Stakeholders	2m						Winners facilitated	NA	5 winners venture into mainstream CSIs by Jun-23	To liaise with IT Park, DHL, MoLHR, Loden Foundation	CSI Flagship
18	Develop and institutionalize support professions such as mentors to guide and advise entrepreneurs.	18.1. Institutionalize mentorship program, honorarium and fielding in of expert	DCSI, MoEA	Relevant Stakeholders	4 m						Mentorship in place	NA	June-20	Tied with ICIMOD in institutionalizing mentorship	CSI Flagship

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark	
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023-)						
19	Conduct skills needs assessment of the CSIs for TVET curriculum revision and development.	19.1. Conduct skills needs assessment of the CSIs for TVET curriculum revision and development.	MoLHR (DTE/DoEHR)	Relevant Stakeholders	2m						TVET curriculum reviewed	NA	June-21	MoLHR has not planned for this component as of 21/8/2019	Startup Flagship	
20	Mandate the relevant agency to review, monitor and evaluate TVET curricula to keep pace with changing market needs and standards.															
21	Map and match CSI skills database with Bhutan Labor Market Information System, Job Portal System, Employment Registration System for coordinated demand and supply of workforce.	21.1. Map and match CSI skills database with Labour database for coordinated demand and supply of workforce.	MoLHR (DTE/DoEHR)	Relevant Stakeholders	2m						Databases matched for coordinated supply of workforce	NA	June-21	MoLHR has not planned for this component as of 21/8/2019	Startup Flagship	
22	Promote industry collaboration and linkages between TVET institutions and CSI in implementation of TVET programmes.	22.1. Promote industry collaboration and linkages between TVET institutions and CSI in implementation of TVET programmes.	MoLHR (DTE/DoEHR)	Relevant Stakeholders	2m						Linkages established for dual training program focusing on automobile engineering and other relevant program	NA	June-23	The dual training has been launched just in construction Sector as of now.	Startup Flagship	

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark					
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023-)										
23	Promote private sector participation in entrepreneurship development boards to foster greater linkage between the human resources demanded by the economic sectors and the skills supplied by the training and education institutions.	23.1. Encourage private sector participation in entrepreneurship curriculum review and development boards.	MoLHR (DTE/DoEHR)	Relevant Stakeholders	2m						private sector participation on board	NA	June-23	MoLHR has not planned for this component as of 21/8/2019	Startup Flagship					
24	Ensure collaborative and synchronized efforts amongst agencies in providing skills development training with a focus to encourage women and youth entrepreneurship.	24.1. Hard and soft skill training. 24.1.2. Development and promotion of Handicraft Sector 24.1.3. Capacity building in post-harvest and equipment handling. 24.1.4. Startup Incubation and digital fabrication trainings and programs 24.1.5. Product diversification, miniaturization, innovation and new designs.	DCSI, MoEA DCSI, MoEA DAMC, MoAF MoLHR, DoEHR APIC	Startup centers, Dzongkhags Startup centers, Dzongkhags Dzongkhags Relevant Stakeholders Dzongkhags	94.8 m 10 m 12 m 58m 12.4 m						Number of beneficiaries	961 CSIs	600 CSIs	Ongoing Activity	CSI Flagship					

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023--)					
25	Promote women entrepreneurship in CSIs to maximize the economic contribution of both genders through provision of preferential business development services.	25.1. Promote entrepreneurship amongst vulnerable groups in cluding PWDs in CSIs	Relevant Agencies	Relevant Stakeholders						2023~	NA		Services are to be catered as and when required		
26	Promote entrepreneurship amongst vulnerable groups including PWDs in CSIs to improve their livelihoods through provision of preferential business development services.	PWDs in CSIs to improve their livelihoods through provision of preferential business development services.													

Strategic Objective 3: Business Development Support and Infrastructure

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019 - 2020	2020- 2021	2021 - 2022	2022 - 2023					
27	Set up Business Incubation Centers, Startup Centers, and Fablabs to facilitate the growth of CSIs.	27.1. Construct and furnish 2 incubation centers	DCSI, MoEA	Relevant Stakeholders	119 m					2 Incubation Centre	1	Drafted ToR for two new Incubation Center at Gyalpozhing under Mongar and Dhamdum under Samtse	Startup Flagship	
		27.1.2. Establishment of Business Incubation Center at TTIs/IZCs	MoLHR (DTE/ DoEHR)	TTI, IZCs, Colleges	60 m					Incubation and Fablabs established in TTIs, IZCs and Colleges	5BIC	MoLHR has not planned for this component as of 21/8/2019	Startup Flagship	
		27.1.3. Establishment of Fablabs	MoLHR (DTE/ DoEHR)	TTI, IZCs, Colleges	75m						5 Fablabs		DoEHR, MoLHR has not planned for this component as of 21/8/2019	Startup Flagship
		27.1.4. Strengthening of Startup Center	DCSI, MoEA	Relevant stakeholders	64.50 m					Startup Center strengthened	NA	June-23	Preparation of BoQ	Startup Flagship
28	Establish CSI estates in Dzongkhags which are not catered by the industrial estates/ parks.	DCSI, MoEA	Relevant Stakeholders						2023~	CSI Estates established	1	Budget is yet to be confirmed from DoT (Trade Facilitation Support Program)	Startup Flagship	
29	Designate space for Startups in the industrial estates/ parks.	DCSI, MoEA	Relevant Stakeholders	0					2023~	Space for Startups designated	June-23	As and when DCSI receives an application		
30	Stimulate the development of business cluster and/or value chains to increase competitiveness of CSI products and services.	DAMC, MoAF	Relevant Stakeholders	0								DAMC will have to reflect this activity in their next Fiscal Year APA	CSI Flagship	

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023					
31	Facilitate establishment of market infrastructure such as warehouses, cold storage facilities, naturally ventilated store, pack house, etc. for CSI products.	31.1. Packaging support	DAMC, MoAF	Dzongkhags	12 m						Support to 156 PG/Coops by June-23		CSI Flagship	
32	Facilitate establishment of market linkages to link producers to market.	32.1. Establishment of market infrastructure (Collection Points)	DAMC, MoAF	Relevant Stakeholders	25m					CSI Market Infrastructure in place		2 through Gelephu RAMCO and 1 through Head Quarter.	CSI Flagship	
		32.1.2. Establishment of market linkages to link producers to market.	DAMC, MoAF	Relevant Stakeholders	7m					Market Linkages established	NA	9 for Gelephu RAMCO and 6 for Head Quarter	CSI Flagship	
		32.1.3. Establish Central Yarn Bank.	APIC	Relevant Stakeholders	5m					One Central Yarn Bank established to cater to supply of stock to 6 existing yarn banks	6	Fully operationalized 1 central yarn bank	Asked for budget release for the next quarter	CSI Flagship
33	Develop and strengthen farmers groups, clusters and initiatives in addition to supporting cooperatives.	32.1.4. Construction of common facility center.	APIC	Dzongkhags	6 m					2 CFC constructed at Isebar and Radhi	CFC at Radhi and Isebar fully operationalized	Ground works started with the identification of the site	CSI Flagship	
		33.1. Strengthen cooperatives, farmers groups, clusters and community-based initiatives.	DAMC, MoAF	Relevant Stakeholders	0					Capacity Building Programs		June-23	DAMC will have to reflect this activity in their next Fiscal Year APA	CSI Flagship

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark	
						2019 - 2020	2020- 2021	2021 - 2022	2022 - 2023						Next Action Plan (2023)
34	Design and implement schemes for technological upgradation of the CSIs.	34.1. Industrial Development Scheme and Essential Service Scheme.	DCSI, MoEA	Dzongkhags	103.4 m						104 CSIs	528 CSIs	The Procurement Division is working on quotation call	CSI Flagship	
		34.1.2. Monitoring and Evaluation Report for Industrial Development Scheme	DCSI, MoEA	Dzongkhags	2 m							June-20	June-20	Evaluation on Industrial Scheme would be carried out towards end of FY 2019-20	CSI Flagship
		34.1.3. Value addition equipment through C-BuDS.	DAMC, MoAF	Relevant Stakeholders	68							NA	156 Coops/FGs	Advertisement floated in mass media	CSI Flagship
		34.1.4. Support clusters with pre loom machines and dyeing equipment.	APIC	Relevant Stakeholders	3.9 m							NA	9 Clusters supported by June-20	Preparing process of pre-loom machines and dyeing equipments	CSI Flagship
35	Provide preferential procurement for locally produced CSI products while ensuring the specifications and qualities are equally competitive with other products and services in the market.	35.1. Provide preferential procurement for locally produced CSI products while ensuring the specifications and qualities are equally competitive with other products and services in the market.	GPPMD, MoF	Relevant Stakeholders	0										
36	Invest in areas that will support and facilitate the growth of CSIs with a provision for gradual transfer of ownership to the private/ communities.	36.1. Invest in areas that will support and facilitate the growth of CSIs with a provision for gradual transfer of ownership to the private/ communities.	Relevant Dzongkhags		0										

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Timeline				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019 - 2020	2020- 2021	2021 - 2022	2022 - 2023					
37	Identify and institute support measures for informal sector development.	37.1. Carry out study to identify Informal Sectors.	DCSI, MoEA	Dzongkhags	4 m					Study Report and Measures instituted in Dzongkhags as recommended	June-22	Proposal submitted to JICA	CSI Flagship	
		37.1.2. Institute measures in each Dzongkhags.	DCSI, MoEA	Dzongkhags	16 m								JICA to support this initiative in select (pilot) Dzongkhags.	CSI Flagship

Strategic Objective 4: Enhancing Access to Finance and Incentives

SI #	Policy Statement	Activities / Measures	Lead Agency	Partners	Budget	Timeline				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023					
38	Strengthen the PSL scheme and apply the coordination mechanism to other credit sources for lending to CSIs.	38.1.PSL Priority list updated for financing 38.1.2. Facilitate credit access for 21 identified products and CSI targets under flagship.	RMA	DCSI, MoEA						PSL List updated		List updated by June 20	21 activities already in the PSL Scheme. However, it is more under the Processing. The PSL Council meeting held on 10th June, 2019 decided not to update the list.	CSI Flagship
39	Encourage banks and FIs to commit a certain proportion of their loans towards CSIs.	39.1. Incentivize CSI banks and FIs to lend at affordable rates and encourage FIs to commit portion of their loans to CSIs	DCSI & RMA	RMA, FIs	31.44 m					Equity portion disbursed-list	NA	Fund disbursed by June 23	To discuss with RMA & GNHC to develop the fund disbursement/ allocation modality	
40	Incentivize CSI bank and FIs to lend at affordable rates to CSI.		RMA	FIs	0					FIs lending at affordable rates and FIs committing certain portion of loan portfolio to CSIs	NA	CSIs benefited- affordable rates and through loan portfolios	Incentives are provided through tax exemptions on interest income from lending to CSIs as per PSL guidelines for FIs.	
41	Expand the coverage of MFIs in rural areas consistent with the RGoB's Financial Inclusion Policy.	41.1. Expand the coverage of MFIs in rural areas	RMA	FIs						List of MFIs established	3 MFIs	Depends on interested clients	As of August 2019, RMA has accorded approval for 6 MFIs. And as per the MFI regulations, the MFIs shall have a majority of its clients from rural.	There are 32 MFI branches in the country as of August 2019
42	Explore means to de-risk lending to CSIs through measures such as adoption of alternate credit scoring models.	42.1. Adoption of alternate credit scoring models	CIB	RMA						Alternate Credit Scoring Model in place from CIB		Alternate Credit Scoring in place by June-20	Followed up with CIB and DCSI were informed that for software (\$150,000) and hardware (\$100,000) has been allocated	

SI #	Policy Statement	Activities / Measures	Lead Agency	Partners	Budget	Timeline				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023					
43	Periodically review and provide fiscal and non-fiscal incentives for the development of the CSI sector.	43.1. Periodically review, refine and/or abolish incentives and replace with targeted ones.	DRC, MoF	DCSI, MoEA						Review/update the incentives		June-23	Written an email to Joint Collector to update on this component as of 21/8/2019	
44	Ensure proactive and effective mobilization of donor funds to complement and supplement the state funds devoted to CSI sector development.	44.1. Organize meetings of resource mobilization.	GNHC	DCSI, MoEA	0					Agenda & Minutes			Meeting will be conducted as and when required with GNHC for budget	

Strategic Objective 5: Innovation and Technology Adoption

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Time line				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023					
45	Foster collaboration between incubation unit and entrepreneurship development cells of TTIs and IZC and tertiary institutions with Startup Centers, FIs and CSIs to encourage innovation.	45.1. Foster collaboration between incubation unit and entrepreneurship development cells of TTIs and IZC and tertiary institutions with Startup Centers, FIs and CSIs to encourage innovation.	DoEHR/ DTE, MoLHR	RUB/MoE										
46	Develop database for up to date information on appropriate technologies for CSIs.	46.1. Develop database for up to date information on appropriate technologies for CSIs.	DCSI, MoEA	Relevant Stakeholders	1 m					Database developed	1	Blue-Print for Technology Data Base ready. The database would be developed by Fablab and Startups	CSI Flagship	
47	Foster greater Intellectual Property adoption among CSIs through enhanced awareness activities and capacity building programs.	47.1. Awareness activities and capacity building programs on IPR.	DoIP, MoEA	Identified CSIs	0					Numbers of Awareness Programs on IP conducted for CSIs	Conducted Awareness on IPRs for all CSIs identified in the Flagship Program	Developing tailor-made programs on Brands and Designs for the CSIs.		
48	Provide CSIs with access to global patent (invention), design and brand databases and related services, through the Technology and Innovation Support Centers - TISCs (College of Science and Technology, Jigme Namgyel College and Thimphu TechPark Ltd.) to CSIs.	48.1. Access to global patent design and brand databases and related services, through the Technology and Innovation Support Centers - TISCs (College of Science and Technology, Jigme Namgyel College and Thimphu TechPark Ltd.) to CSIs.	DoIP, MoEA	Relevant Stakeholders	0					Access to relevant Technology Information instituted for CSIs through TISCs.	Fully operationalized the three TISCs	First capacity building of the three TISCs Officials conducted from 14-16 April 2019 in Thimphu by experts from World Intellectual Property Organization.		

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Time line				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023					
49	Provide advisory services and related assistance in franchising and licensing of IPR in permissible areas, which offer potential for rapid business development and employment generation.	49.1. Advisory services and related assistance in franchising and licensing of IPR in permissible areas	DoIP, MoEA	Relevant Stakeholders	0					Advisory services provided to CSIs on the legal and technical aspects of IP for licensing and franchising, when required.		Ready to cater to the request/ demand of CSIs		
50	Allow FDI in select small scale industry sector.	50.1. Facilitate FDIs in select small industry sector	DCSI, MoEA	Relevant Stakeholders	0					List of FDI in small sector		Depends on the interested investors	FDI Policy revised to facilitate foreign investment in select small industry	
51	Encourage innovation and creativity through Innovation Voucher Scheme.	51.1. Voucher scheme to stimulate R&D, innovation and technological absorption by CSIs.	DCSI, MoEA	Dzongkhags	1.6 m					Number of IVS beneficiaries	1 CSI	8 CSIs	Call for Application done	CSI Flagship
52	Promote R&D in TVET and tertiary institutions.	52.1. Promote R&D in TVET and tertiary institutions.	MoLHR DTE/ DoEHR											

Strategic Objective 6: Access to Market

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Time line				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023					
53	Facilitate industries to improve the quality of products and services through promotion of standards, facilitation of conformity assessment services including calibration.	53.1. Awareness on GHP/GMP/ Certification requirements to CSIs.	BAFRA, MoAF	Relevant Stakeholders	1.5 m					Number of participants trained		30	Planned in September, 2019	CSI Flagship
		53.1.2. Subcontract food samples to reference laboratories for authentication of label and verification of nutritional claims	BAFRA, MoAF	Relevant Stakeholders	3 m					Number of products and packaging materials tested		100%	Not yet received any samples from CSIs and also budget is yet to be released	CSI Flagship
		53.1.3. Increase ISO/IEC 17065 accreditation scope of BAFRA's food product certification.	BAFRA, MoAF	Relevant Stakeholders	14 m					Number of new CSIs products certified	3 products accreditations only	Accreditations to all CSI products and testing capacity of NFTL enhanced	Initiated assessment of CSIs based on GHP/GMP Criteria	CSI Flagship
		53.1.4. Capacity building of National Food Testing Laboratory (NFTL).	BAFRA, MoAF	Relevant Stakeholders	30 m					Testing Scope of NFTL increased to test CSI products		Increased scope to test 5 parameters of CSI products	Activity will be initiated when budget is released	CSI Flagship

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Time line					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023-~)					
54	Create awareness on standards and conformity including metrological services.	54.1. Awareness programs on certification and conformity assessment.	BSB	Relevant Stakeholders	1 m						Number of awareness programs conducted	NA	6 awareness programs conducted on standardization and conformity assessment by June -2023	This is perhaps the Awareness component which was Planned for Aug and Nov 2019 and March 2020. With no release of budget and identification of manufacturers BSB has not been able to take this activity forward.	CSI Flagship
		54.1.2. Product certification cost with technical expertise from outside Bhutan.	BSB	Relevant Stakeholders	3.85m						Number of products certified	0	11 products to be certified by June-23	Certification component starts only in the 2020-2021 FY. We cannot certify in the absence of standards.	CSI Flagship
		54.1.3. Develop and adopt standards.	BSB	Relevant Stakeholders	3.6m						Number of standards developed		Standards for 21 CSI products developed and adopted by June-23	To start the standardization process, BSB needs the list of product which has not been conveyed as yet. BSB is still to get a response to our request from DCSI on this matter.	CSI Flagship
		54.1.4. Increase scope of metrology accreditation to include volume and prepare for temperature and pressure measurement.	BSB	Relevant Stakeholders	1 m						Number of awareness programs conducted		6 awareness programs conducted on standardization and conformity assessment by June -2023	This component involves procurement of 10 Nos of metrology equipment. Supplier is ready but has been put on hold due to non-release of budget. This activity was planned for Aug 2019.	CSI Flagship

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Time line				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark	
						2019-2020	2020-2021	2021-2022	2022-2023						Next Action Plan (2023~)
55	Promote and market Brand Bhutan.	55.1. Develop Guideline for BB	DoT, MoEA	Relevant Stakeholders	0.20 m					Guideline and Rules and Regulations in place		June-21	Guideline developed	CSI Flagship	
		55.1.2. Develop rules and regulations for BB	DoT, MoEA	Relevant Stakeholders	0.25 m						Criteria in place		June-20	Rules and Regulations developed	CSI Flagship
		55.1.3. Develop criteria for two sector brands.	DoT, MoEA	Relevant Stakeholders	6.26 m								June-22		CSI Flagship
		55.1.4. Develop criteria, specifications and product profile for the application of BB.	DoT, MoEA	Relevant Stakeholders	3 m						Brand Bhutan applied to CSI products		June-22		CSI Flagship
56	Strategically position goods and services produced by CSIs in high value market niches using Bhutan's Seals of Excellence and Quality, the Seal of Origin, Bhutan Organic Logo and Green Labeling.	55.1.5. Apply BB on CSI products.	DoT, MoEA	Relevant Stakeholders	0.65 m							June-23		CSI Flagship	
		56.1. Promote and market BB to international market.	DoT, MoEA	Relevant Stakeholders	2 m					Brand Bhutan promoted at National & International level		June-21		CSI Flagship	
		56.1.2. Registration of BB with IP.	DoT, MoEA	Relevant Stakeholders	2.1 m					Brand Bhutan registered with DoIP, MoEA	Registered at National level	June-20		CSI Flagship	
57	Encourage public and private entities to use and promote CSIs products and services.	56.1.3. Develop expertise on Branding within Department.	DoT, MoEA	Relevant Stakeholders	1.25m					Capacity developed		June-20		CSI Flagship	

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Time line				Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023					
58	Identify regional and international markets for CSI products.	58.1. Conduct National CSI Expo 58.1.2. Annual CSI Fair	DCSI, MoEA	MoEA (DoT, RMA, BCCI) MoEA	0.85 m 6 m					Fairs and Expo conducted	2	July-19 4	CSI Expo successfully conducted during BEFIT 2019 Announcement for Annual CSI Fair done on 16th August,2019	CSI Flagship CSI Flagship
59	Facilitate the participation of CSIs in targeted B2B events, fairs, roadshows, and exhibitions.	59.1. Road shows/ exhibitions for networking/ linkages with SME agencies in the region to explore investors in FDI	DCSI, MoEA	Relevant Stakeholders	10 m					0 for road show and 2 for exhibition	4 Road shows conducted & participated in 3 exhibitions for networking			CSI Flagship
60	Support launching of new CSI products in the market.	60.1. New CSI Product launching events 61.1. Renovation/ Re-modeling of the old service center and development of CSI market place	DCSI, MoEA	Relevant Stakeholders	6 m					New CSIs products		8 product launch events	Draft Product Launching Criteria in place	CSI Flagship
61	Establish dedicated sales outlets for CSI products.	61.1.2. Develop business model for operation and management of marketplace.	DCSI, MoEA	Dzongkhag & Thromde	92.5m 1.5 m					CSI Market Place developed	1 Market Place		Draft ToR for Engineer Draft ToR for recruiting consultancy to develop operation and management modality for the market place	CSI Flagship CSI Flagship
62	Leverage mission, consulates, embassies in promoting and marketing of CSIs products.	62.1. Initiate the establishment of outlet and establish CSI sales outlet outside Bhutan.	DCSI, MoEA	MoFA Embassies	10 m					CSI Outlet established outside Bhutan		2 Outlets	Letter sent to MFA for support on 23rd August,2019	CSI Flagship

SI #	Policy Statement	Activities/ Measures	Lead Agency	Partners	Budget	Time line					Indicator (s)	Base line	Target	Implementation status (as of August, 2019)	Remark
						2019-2020	2020-2021	2021-2022	2022-2023	Next Action Plan (2023~)					
63	Conduct product mapping/resource inventory of business opportunities for CSIs.	63.1. CSI product mapping in 20 Dzongkhags	DCSI, DoI, MoEA and BCCI	Relevant Stakeholders	3m						Resource Inventory Report		June-21		CSI Flagship
64	Develop mechanisms to prevent products made outside Bhutan being sold as Bhutanese products within Bhutan.	64.1. Develop mechanisms to prevent products made outside Bhutan being sold as Bhutanese products within Bhutan.	MoHCA and APIC	Relevant Stakeholders	0						Mechanisms implemented			No mechanisms in place till date	
65	Facilitate use of e-commerce platforms including e-payment systems by CSIs for greater market access.	65.1. Facilitate use of e-commerce platforms including e-payment systems by CSIs for greater market access.	DoT, MoEA	Relevant Stakeholders	0						Number of e-commerce licenses issued			Incorporated e-commerce licensing in online system. Facilitated for issuance of e-commerce license for 6 e-commerce entity (seeking RMA technical clearance for using Payment Gateway)	