



PERFORMANCE AGREEMENT

BETWEEN

Secretary and Director General

**DEPARTMENT OF HYDRO POWER AND POWER SYSTEM
MINISTRY OF ECONOMIC AFFAIRS**

(July 1, 2017 – June 30, 2018)

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Preamble

The Performance Agreement is entered into between the Secretary and Director General, Department Of Hydro Power And Power System.

The objectives of this Performance Agreement are:

a) To establish clarity and consensus about annual priorities for the Department Of Hydro Power And Power System consistent with the 11th Five Year Plan of the Ministry, and Governments other priorities;

b) To provide an objective and fair basis for evaluating the overall performance of the Department Of Hydro Power And Power System at the end of the financial year

The Performance Agreement represents an important accountability mechanism for inculcating a performance based culture at all levels of government.

THEREFORE, the parties hereto agree as follows:

Section 1: Vision, Mission and Objectives

Vision

A dynamic and efficient Government agency committed to promoting sustainable hydropower for socio-economic development in pursuit of Gross National Happiness

Mission

- • Govern and facilitate integrated, regionally balanced and optimal use of water resource for development of hydropower with minimal environment impacts.
- Ensure that hydropower exports generate maximum revenue for the Nation.
- Ensure secure, reliable and affordable energy for the domestic consumers.
- Provide enabling environment for participation of public and private sectors in development and construction of hydropower resource.
- Undertake Institutional reforms for efficient planning and management of the sector.
- Develop and enhance professionals in hydropower development and management.

Objectives

- 1) To optimize hydropower development and enhance energy and water security.
- 2) EDP implementation and monitoring
- 3) To ensure full utilization of budget
- 4) To enable effective and efficient ICT service delivery
- 5) To implement National Integrity and Anti-Corruption Strategy (NIACS)

Section 2: Objectives, Success Indicators & Target

Objective	Weight	Action	Success Indicator	Unit	Weight	Excellent [100%]	Very Good [90%]	Good [80%]	Fair [70%]	Poor [60%]
To optimize hydropower development and enhance energy and water security.	75	Construct HPPs	Percentage of progress of Nikachhu achieved	Percent	0.5	18	15	14	13	12
			Percentage of progress of Puna-I achieved	Percent	0.5	86	85.5	85	84.5	84
			Percentage of progress of Puna-II achieved	Percent	0.5	81	78	76	74	72
			Percentage of progress of Mangdechhu achieved	Percent	0.5	100	98	96	94	92
			Percentage of progress of Kholongchhu achieved	Percent	0.5	12	10	8	7	6
		Capacity Development Technical Assistance (CDTA-8791) under ADB funding	Percentage of sector Reforms- completed viability study for unbundling Transmission & Distribution utility and Independent System Operator	Percent	3	100	98	96	94	92
		Publication of annual power system information	Percentage of annual power system data published	Percent	2	100	90	80	70	60
			Power Data Management System developed	Percent	3	100	90	80	70	60
		Amendment of Electricity Act, 2001	Electricity Act, 2001 amended	Percent	5	50	45	40	35	30
		Updation of Electricity file of Budget, Policy and Fiscal Framework Statement	Updated on quarterly basis	Number	4	4	3	2	1	0

To optimize hydropower development and enhance energy and water security.	75	Review of Sustainable Hydropower Development Policy 2008	Sustainable Hydropower Development Policy revised	Percent	5	100	90	80	70	60
		Export Tariff negotiations	Export Tariff for MHPA negotiated	Percent	5	100	90	80	70	60
			Chhukha tariff revised	Percent	2	100	90	80	70	60
		National Power System Load Flow Studies	Updation of National Transmission Grid Master Plan 2012	Percent	5	100	90	80	70	60
			Annual National Load Flow Studies using PSSE software for transmission lines of 66kV and above undertaken	Percent	4	100	90	80	70	60
		Updation of Power System Master Plan 2003	Updation of Power System Master Plan of Bhutan – 2040 undertaken	Percent	5	40	38	36	34	32
		SAARC/BIMSTEC/SARI-EI/SASEC	Coordination and participation in meetings/workshops of SAARC/BIMSTEC/SARI-EI/SASEC	Percent	2	100	90	80	70	60
		Cost data base for hydro power projects	Cost data base for hydro power projects prepared	Percent	4	100	90	80	70	60
		Comprehensive data on hydro power projects	Comprehensive technical data on hydro power projects prepared	Percent	4	100	90	80	70	60
		Conduct investigation studies of new HPPs	Percentage of Kuri Gongri DPR completed.	Percent	4	75	70	65	60	55
Percentage of reconnaissance study of one Hydro Project undertaken	Percent		5	100	90	80	70	60		

To optimize hydropower development and enhance energy and water security.	75	Conduct investigation studies of new HPPs	DPR of Nyera Amari I&II (integrated) completed	Percent	3	100	90	80	70	60
		Construct HV transmission lines	Percentage of 132kV Kanglung-Phuntshothang line completed	Percent	2	93	85	80	75	70
		EJG meetings to expedite construction of 10GW HPPs	Number of EJG Meetings	Percent	0.5	100	90	80	70	60
		Preparation of Guidelines for feasibility (DPR) studies and construction of hydro projects	Guidelines for feasibility studies and construction of hydro projects prepared	Percent	5	100	90	80	70	60
EDP implementation and monitoring	10	Formulate hydropower development strategy	Hydropower development action plan formulated based on the Hydropower Development Strategy Report of the Hydropower committee	Percent	2	100	90	80	70	60
		Cummulative Impact Assessment of Kuri-Gongri basin undertaken	CIA for Kuri-Gongri basin prepared	Percent	3	100	90	80	70	60
		Formalize the establishment of Bhutan Power System Coordination Committee	Bhutan Power System Coordination Committee established	Percent	2	100	90	80	70	60
		Diversification of Hydropower sector	Number of activities undertaken by Bhutanese firms	Percent	3	3	2	1	1	0
To ensure full utilization of budget	5	Ensure annual budget utilization	Percentage of annual budget utilization	Percent	5	100	-	-	-	<100

To enable effective and efficient ICT service delivery	2	Enable basic ICT skills of non ICT staff members	Percentage of non ICT staff trained	Percent	1	50	45	40	35	30
		Ensure compliance to e-GIF standards	Select Output or Outcome First	Percent	1	100	-	-	-	<100
To implement National Integrity and Anti-Corruption Strategy (NIACS)	8	Conduct face to face sensitization program on Ethics and Integrity Tools by concerned TOT participants (Gift Rules and its management, Conflict of Interest Declaration and its management, Code of Conduct and Grievance Redress Mechanism)	Percentage of employees sensitized on: Gifts, Conflicts of Interest, Code of Conduct, Asset declaration and Grievance Redress Mechanism	Percent	2	>90	89-80	79-70	69-60	<59
		All eligible declare assets on time	All eligible declare assets on time	Percent	6	91-100	81-90	71-80	61-70	60

Section 3: Trend values of success indicators

Objective	Action	Success Indicator1	Unit	Actual Values [FY 2013-14]	Actual Values [FY 2014-15]	Target Values [FY 2015-16]	Projected Values [FY 2016-17]	Projected Values [FY 2017-18]
EDP implementation and monitoring	Cummulative Impact Assessment of Kuri-Gongri basin undertaken	CIA for Kuri-Gongri basin prepared	Percent					100
	Diversification of Hydropower sector	Number of activities undertaken by Bhutanese firms	Percent					3
	Formalize the establishment of Bhutan Power System Coordination Committee	Bhutan Power System Coordination Committee established	Percent					100
	Formulate hydropower development strategy	Hydropower development action plan formulated based on the Hydropower Development Strategy Report of the Hydropower committee	Percent					100
To enable effective and efficient ICT service delivery	Enable basic ICT skills of non ICT staff members	Percentage of non ICT staff trained	Percent					50
	Ensure compliance to e-GIF standards	Select Output or Outcome First	Percent	-	-	-	-	100
To ensure full utilization of budget	Ensure annual budget utilization	Percentage of annual budget utilization	Percent					100

To implement National Integrity and Anti-Corruption Strategy (NIACS)	All eligible declare assets on time	All eligible declare assets on time	Percent					100
	Conduct face to face sensitization program on Ethics and Integrity Tools by concerned TOT participants (Gift Rules and its management, Conflict of Interest Declaration and its management, Code of Conduct and Grievance Redress Mechanism)	Percentage of employees sensitized on: Gifts, Conflicts of Interest, Code of Conduct, Asset declaration and Grievance Redress Mechanism	Percent					>90
To optimize hydropower development and enhance energy and water security.	Construct HV transmission lines	Percentage of 132kV Kanglung-Phuntshothang line completed	Percent			30	63	93
	National Power System Load Flow Studies	Annual National Load Flow Studies using PSSE software for transmission lines of 66kV and above undertaken	Percent					100
		Updation of National Transmission Grid Master Plan 2012	Percent				30	100
	Amendment of Electricity Act, 2001	Electricity Act, 2001 amended	Percent					50

To optimize hydropower development and enhance energy and water security.	Capacity Development Technical Assistance (CDTA-8791) under ADB funding	Percentage of sector Reforms- completed viability study for unbundling Transmission & Distribution utility and Independent System Operator	Percent	0	0	0	80	100
	Comprehensive data on hydro power projects	Comprehensive technical data on hydro power projects prepared	Percent					100
	Conduct investigation studies of new HPPs	Percentage of Kuri Gongri DPR completed.	Percent				54	75
		DPR of Nyera Amari I&II (integrated) completed	Percent			70	99	100
		Percentage of reconnaissance study of one Hydro Project undertaken	Percent					100
	Construct HPPs	Percentage of progress of Kholongchhu achieved	Percent				5	12
		Percentage of progress of Mangdechhu achieved	Percent		60	78	86	100
		Percentage of progress of Nikachhu achieved	Percent				9	18
		Percentage of progress of Puna-I achieved	Percent		74	79	83	86

To optimize hydropower development and enhance energy and water security.	Construct HPPs	Percentage of progress of Puna-II achieved	Percent		62	67	72	81
	Cost data base for hydro power projects	Cost data base for hydro power projects prepared	Percent					100
	EJG meetings to expedite construction of 10GW HPPs	Number of EJG Meetings	Percent					100
	Export Tariff negotiations	Chhukha tariff revised	Percent					100
		Export Tariff for MHPA negotiated	Percent					100
	Preparation of Guidelines for feasibility (DPR) studies and construction of hydro projects	Guidelines for feasibility studies and construction of hydro projects prepared	Percent				50	100
	Publication of annual power system information	Percentage of annual power system data published	Percent	0	0	0	0	100
		Power Data Management System developed	Percent					100
	Review of Sustainable Hydropower Development Policy 2008	Sustainable Hydropower Development Policy revised	Percent					100

To optimize hydropower development and enhance energy and water security.	SAARC/BIMSTEC/SARI-EI/SASEC	Coordination and participation in meetings/workshops of SAARC/BIMSTEC/SARI-EI/SASEC	Percent					100
	Updation of Electricity file of Budget, Policy and Fiscal Framework Statement	Updated on quarterly basis	Number					4
	Updation of Power System Master Plan 2003	Updation of Power System Master Plan of Bhutan – 2040 undertaken	Percent				30	40

Section 4: Definition of Success Indicators

Success Indicator	Description	Data Collection Methodology	Data Collection Frequency	Data Source
Percentage of progress of Puna-I achieved	86% progress achieved	Actual progress	Biannually	PHPA-I
Percentage of progress of Puna-II achieved	81% progress achieved	Actual progress	Biannually	PHPA-II
Percentage of progress of Mangdechhu achieved	100% progress achieved	Actual progress	Biannually	MHPA
Percentage of progress of Nikachhu achieved	18% progress achieved	Actual progress	Biannually	ThyE
Percentage of progress of Kholongchhu achieved	12% progress achieved	Actual progress	Biannually	KHEL
Number of EJM Meetings	100% progress achieved	Actual progress	Biannually	EJM Secretariat
Guidelines for feasibility studies and construction of hydro projects prepared	100% progress achieved	Actual progress	Biannually	DHPS
Percentage of sector Reforms-completed viability study for unbundling Transmission & Distribution utility and Independent System Operator	100% progress achieved	Actual progress	Biannually	DHPS
Sustainable Hydropower Development Policy revised	100% progress achieved	Actual progress	Biannually	DHPS
Power Data Management System developed	Power data management system developed	Actual progress	Biannually	DHPS
Percentage of annual power system data published	Power system data published	Actual progress	Biannually	DHPS
Export Tariff for MHPA negotiated	Tariff for Mangdechhu negotiated	Actual progress	Biannually	DHPS

Chhukha tariff revised	Tariff for Chhukha revised	Actual progress	Biannually	DHPS
Annual National Load Flow Studies using PSSE software for transmission lines of 66kV and above undertaken	Annual National Load flow study report submitted	Actual progress	Biannually	DHPS
Updation of National Transmission Grid Master Plan 2012	100% of the work to be completed	Actual progress	Biannually	DHPS
Updation of Power System Master Plan of Bhutan – 2040 undertaken	40 % of the work to be completed	Actual progress	Biannually	DHPS
Electricity Act, 2001 amended	50% of the work to be completed	Actual progress	Biannually	DHPS
Coordination and participation in meetings/workshops of SAARC/BIMSTEC/SARI-EI/SASEC	100% progress achieved	Actual progress	Biannually	DHPS
Cost data base for hydro power projects prepared	100% progress achieved	Actual progress	Biannually	DHPS
Comprehensive technical data on hydro power projects prepared	100% progress achieved	Actual progress	Biannually	DHPS
Updated on quarterly basis	Electricity file updated quarterly	Actual progress	Biannually	DHPS
Percentage of Kuri Gongri DPR completed.	75% progress achieved	Actual progress	Biannually	DHPS
Percentage of reconnaissance study of one Hydro Project undertaken	100% Reconnaissance study of 1 project completed	Actual progress	Biannually	DHPS
DPR of Nyera Amari I&II (integrated) completed	DPR completed and final report submitted to the Ministry	Actual progress	Biannually	DHPS
Percentage of 132kV Kanglung-Phuntshothang line completed	93% progress achieved	Actual progress	Biannually	BPC/DHPS

Hydropower development action plan formulated based on the Hydropower Development Strategy Report of the Hydropower committee	100% progress achieved	Actual progress	Biannually	DHPS
Bhutan Power System Coordination Committee established	100% progress achieved	Actual progress	Biannually	DHPS
Number of activities undertaken by Bhutanese firms	3 activities undertaken by Bhutanese firm	Actual progress	Biannually	DGPC/DHPS
CIA for Kuri-Gongri basin prepared	100% progress achieved	Actual progress	Biannually	DHPS
Percentage of employees sensitized on: Gifts, Conflicts of Interest, Code of Conduct, Asset declaration and Grievance Redress Mechanism	This indicator will measure the proportion of employees sensitized through face to face sensitization program, on the above mentioned Ethics and Integrity Management Tools. The indicator will assess both the proportion of employees sensitized and level of awareness created among the employees on the tools. Of the total weightage (100 percent), 40% is assigned on delivery part and 60% of the awareness created. Further, 40% weightage is apportioned as: 1) No. of tools sensitized -5 tools (10%); 2) Mode of delivery – face to face sensitization program (10%); 3) Duration – one day or more (10%); and 4) Percent of employees sensitized – 80% and above (10%). The agencies will report on the above weightage (40%) using the standard form developed by ACC.	Supporting documents from the agencies. Questionnaire based desk survey.	Annually	Admin data

All eligible declare assets on time	This indicator will be measured based on the proportion of employees who have declared asset on or before the deadline provided by the ACC. For the purpose of evaluation all employees who have declared asset later than the deadline shall be considered as non-declarant	ACC system record with Administrative section ,MoEA	Annually	ACC system
Percentage of annual budget utilization	This indicator measures the amount of variation between revised budget and expenditure of an agency for a fiscal year	Actual progress	Annually	Accounts section
Percentage of non ICT staff trained	This SI measures the percentage of staff other than ICT professionals provided with training on basic ICT skills. This will reduce the turnaround time of providing basic troubleshooting services. The training will be provided by ICT Division	Admin records on training conducted	Biannually	ICT Division
Select Output or Outcome First	This SI measures and ensures that Departments comply to e-GIF standards in all ICT related activities	Records of e-Gov review meetings	Biannually	MoIC

Section 5: Requirements from other Departments & Secretariat Divisions

Organisation Name	Relevant Success Indicator	Requirement from the Organisation	Justification for the Requirement	Requirement detail	Impact (If Not Met)
SECRETARIAT	Percentage of progress of Puna-I achieved	1. Finalization of right bank stabilization measures 2. PHPA to achieve the target	PHPA is responsible for implementation of the project	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Percentage of progress of Mangdechhu achieved	1. Approval of 2nd RCE by Gol 2. Release of additional funds for ATS 3. MHPA to achieve the target	MHPA is responsible for implementation of the project	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Percentage of progress of Puna-II achieved	1. Finalization of stabilization measure of UGPH complex 2. PHPA to achieve the target	PHPA is responsible for implementation of the project	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Percentage of progress of Nikachhu achieved	THyE to achieve the target	THyE is responsible for implementation of the project	Not Available	Indicated progress shall not be achieved
SECRETARIAT	Number of EJJ Meetings	Gol agreeing to hold meetings	EJJ Secretariat is responsible for EJJ meeting	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Guidelines for feasibility studies and construction of hydro projects prepared	Subject to realization of assistance from World Bank.	The project is funded by the World Bank	Not Available	Indicated progresses shall not be achieved

SECRETARIAT	Percentage of sector Reforms- completed viability study for unbundling Transmission & Distribution utility and Independent System Operator	ADB to complete the task	The task is being undertaken by ADB	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Power Data Management System developed	RGoB to approve budget	Fund required for the task	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Export Tariff for MHPA negotiated	1. GoI agreeing to hold meeting 2. Tariff negotiated subject to finalizing cost to completion and timely completion of the project	Tariff will be negotiated subject to finalizing cost to completion	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Updation of Power System Master Plan of Bhutan – 2040 undertaken	Realization of assistance from JICA	The task is implemented with financial assistance of JICA	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Updated on quarterly basis	MoF to call for quarterly meeting	MoF is the leading agency for quarterly meeting	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Percentage of Kuri Gongri DPR completed.	Timely release of fund by GoI/GNHC	DPR carried out with GoI funding	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Percentage of reconnaissance study of one Hydro Project undertaken	Fund required to carry out the reconnaissance study	DPR carried out with GoI funding	Not Available	Indicated progresses shall not be achieved

SECRETARIAT	DPR of Nyera Amari I&II (integrated) completed	DGPC to submit the final report to the Ministry	DGPC mandated to carry out the DPR work	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Percentage of 132kV Kanglung-Phuntshothang line completed	BPC to achieve the target	BPC mandated to carry out the work	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Hydropower development action plan formulated based on the Hydropower Development Strategy Report of the Hydropower committee	Govt directives based on Hydropower Development Strategy report	Hydropower development action plan contingent on the Hydropower development strategy report of the Hydropower committee	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Percentage of progress of Kholongchhu achieved	1. Resolved CBTE issues 2. KHEL to achieve the target	KHEL is responsible for implementation of the project	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Chhukha tariff revised	Govt agreeing to tariff revision based on technical, economics and political factors.	Revision of tariff as per 1974 Chukha Agreement.	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Updation of National Transmission Grid Master Plan 2012	1. Realization of assistance from POSOCO in conducting short circuit analysis.	To achieve the projected target	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Updation of Power System Master Plan of Bhutan – 2040 undertaken	Realization of assistance from JICA	The task is implemented with financial assistance of JICA	Not Available	Indicated progresses shall not be achieved

SECRETARIAT	Cost data base for hydro power projects prepared	Availability of data from projects and plants	To publish hydropower projects cost database	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Comprehensive technical data on hydro power projects prepared	Availability of data from projects and plants	To publish comprehensive technical data on hydropower projects	Not Available	Indicated progresses shall not be achieved
SECRETARIAT	Number of activities undertaken by Bhutanese firms	GoI agreeing to engagement of CDCL on nomination basis for the construction of part HRT works of KHEL.	To achieve diversification of hydropower sector	Not Available	Indicated target shall not be achieved
SECRETARIAT	CIA for Kuri-Gongri basin prepared	NEC's approval of the ToR for CIA	To assess the socio-environmental cumulative impact of hydropower development in the basin.	Not Available	Indicated target shall not be achieved
SECRETARIAT	Sustainable Hydropower Development Policy revised	Finalization of Hydropower Strategy report by Hydropower Committee/RGoB	To achieve the projected target	Not Available	Indicated progresses shall not be achieved

Whereas,

I, the Director General, Department Of Hydro Power And Power System, commit to the Secretary and the Minister, Ministry Of Economic Affairs to deliver the results described in this Annual Performance Agreement.

I, the Secretary, commit to the Director General, Department Of Hydro Power And Power System to provide necessary support for the delivery of results described in this Annual Performance Agreement.

SIGNED:



Secretary



Date



Sonam P Wangdi
Director General



Date

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