



PERFORMANCE AGREEMENT

BETWEEN

Secretary and Director General

**DEPARTMENT OF COTTAGE & SMALL INDUSTRIES
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 Cottage & Small Industries.

The objectives of this Performance Agreement are:

a) To establish clarity and consensus about annual priorities for the Department Of Cottage & Small Industries 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 Cottage & Small Industries 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

Guided by the philosophy of GNH, to become a premier agency promoting growth of a vibrant and sustainable Cottage and Small Industry contributing to the overall socio-economic development of the country.

Mission

To create an enabling environment to facilitate and support sustainable growth and development of Cottage and Small Industries (CSIs) in the country for the equitable income distribution, employment generation and balanced regional development.

Objectives

- 1) To Develop cottage and small industries in Bhutan
- 2) To enhance human capital & develop culture of entrepreneurship
- 3) To enhance capacity of institutions
- 4) To enable effective and efficient ICT Service delivery

- 5) Implement National Integrity and Anti-Corruption Strategy (NIACS)

- 6) To ensure full utilization of Budget

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 Develop cottage and small industries in Bhutan	49	CSIs developed	Number of CSIs operational	Number	13	548	493	438	384	329
			Number of incubates supported	Number	5	16	14	12	10	8
			List of CSIs for priority sector lending prepared and approved by the Ministry	Status of Work	2	List finalized and approved	List finalized but not approved	Draft list prepared	Incomplete list	Listing initiated
		Identify sites for mini industrial estates in the Dzongkhags	Number of sites identified	Number	5	4	3	2	1	0
		G+3 storied building completed and business incubation center established	Business incubation center established and functional	Percent	10	Management established	Incubation building furnished with furniture and equipment	100%	90%	80%
		Support rural enterprises to upgrade technology	Number of CSIs supported through Rural Enterprise Development Scheme	Number	8	16	14	12	10	8
		Compile and report CSMI AP (2015-2018) to authorities	Number of reports compiled and submitted to the relevant authorities on the implementation status of CSMI Action Plan 2.	Status of Work	3	Two reports compiled and submitted	One report compiled and submitted	Report compiled and but not submitted	Incomplete report	Report initiated
		Compile, analyze and prepare annual CSI report	Number of reports prepared	Status of Work	3	One Report published	Report finalized but not published	Draft report completed	Incomplete report	Work initiated

To enhance human capital & develop culture of entrepreneurship	31	Organize annual Bhutan Enterprise Awards function to reward promising entrepreneurs during the Global Entrepreneurship Week.	Number of award function organized	Status of Work	8	One award function organized and entrepreneurs recognized	Selection of winners completed but not awarded	Work initiated for selection of winners	Preliminary works such as advertisement, coordination with RTIOs conducted for the award	Activity initiated
		To provide business management training to CSI entrepreneurs (Soft Skill)	Number of CSI entrepreneurs trained in business management	Number	7	79	71	63	55	47
		Provide advanced training to CSI entrepreneurs (Hard Skills)	Number of entrepreneurs trained	Number	10	104	94	83	73	62
		To conduct Business Advocacy Workshops for potential entrepreneurs	Number of participants of workshops	Number	6	100	90	80	70	60
To enhance capacity of institutions	5	Train government officials, stakeholders from NGOs and entrepreneurs on D-HOPE hands on program and exhibition	Number of participants trained	Number	5	34	31	27	24	20

To enable effective and efficient ICT Service delivery	2	Enhance basic ICT skills of non ICT staff members.	Percentage of non ICT staff trained.	Percent	1	50	45	40	35	30
			Percentage compliance to e-GIF standards	Percent	1	100	-	-	-	less than 100
Implement National Integrity and Anti-Corruption Strategy (NIACS)	8	All eligible officials declare asset on time.	Percentage of employees who have declared asset on time	Percent	6	91-100	81-90	71-80	61-70	<60
		Conduct face to face sensitization program on Ethics and Integrity Tools by concerned TOT participants (Gift Rules & its management, Asset Declaration Rules & its management, Conflicts of Interest Declaration & 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	Above 90	89-80	79-70	69-60	59 and below
To ensure full utilization of Budget	5	Ensure annual budget utilization	Percentage of annual budget utilization	Percent	5	100	-	-	-	less than 100

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]
Implement National Integrity and Anti-Corruption Strategy (NIACS)	All eligible officials declare asset on time.	Percentage of employees who have declared asset on time	Percent	90	90	90	90	100
	Conduct face to face sensitization program on Ethics and Integrity Tools by concerned TOT participants (Gift Rules & its management, Asset Declaration Rules & its management, Conflicts of Interest Declaration & 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	0	0	0	0	above 90
To Develop cottage and small industries in Bhutan	Compile and report CSMI AP (2015-2018) to authorities	Number of reports compiled and submitted to the relevant authorities on the implementation status of CSMI Action Plan 2.	Status of Work	2 on AP 1	4 on AP 1	4 on AP 1 and 2 on AP 2	4 on AP 1 and 4 on AP 2	4 on AP 1 6 on AP 2
	Compile, analyze and prepare annual CSI report	Number of reports prepared	Status of Work	1	2	3	4	5

To Develop cottage and small industries in Bhutan	CSIs developed	List of CSIs for priority sector lending prepared and approved by the Ministry	Status of Work	0	0	0	0	List of CSIs for priority sector lending prepared and approved by the Ministry
		Number of CSIs operational	Number	13991	16816	18498	20255	22078
		Number of incubates supported	Number	0	0	0	7	23
	G+3 storied building completed and business incubation center established	Business incubation center established and functional	Percent	0	0	0	0	1
	Identify sites for mini industrial estates in the Dzongkhags	Number of sites identified	Number	0	0	0	0	2
	Support rural enterprises to upgrade technology	Number of CSIs supported through Rural Enterprise Development Scheme	Number	5	14	30	57	73
To enable effective and efficient ICT Service delivery	Enhance basic ICT skills of non ICT staff members.	Percentage compliance to e-GIF standards	Percent	100	100	100	100	100
		Percentage of non ICT staff trained.	Percent	0	0	0	0	50

To enhance capacity of institutions	Train government officials, stakeholders from NGOs and entrepreneurs on D-HOPE hands on program and exhibition	Number of participants trained	Number	0	15	30	45	79
To enhance human capital & develop culture of entrepreneurship	Organize annual Bhutan Enterprise Awards function to reward promising entrepreneurs during the Global Entrepreneurship Week.	Number of award function organized	Status of Work	1	2	3	4	5
	Provide advanced training to CSI entrepreneurs (Hard Skills)	Number of entrepreneurs trained	Number	29	131	205	278	382
	To conduct Business Advocacy Workshops for potential entrepreneurs	Number of participants of workshops	Number	0	293	553	653	753
	To provide business management training to CSI entrepreneurs (Soft Skill)	Number of CSI entrepreneurs trained in business management	Number	0	65	191	260	329
To ensure full utilization of Budget	Ensure annual budget utilization	Percentage of annual budget utilization	Percent	<100	<100	<100	<100	100

Section 4: Definition of Success Indicators

Success Indicator	Description	Data Collection Methodology	Data Collection Frequency	Data Source
Number of CSIs operational	Success shall be determined by the number of new CSI established	Annual CSI report	Biannually	Databases maintained by RTIOs/ accessed via G2C online system
Number of incubates supported	Success will be determined by number of incubates	DCSI's record	Biannually	DCSI data base
Number of sites identified	Success to be determined by number of feasible sites identified	DCSI record	Annually	DCSI database
Business incubation center established and functional	Percentage of physical progress of construction completed	DCSI's record	Monthly	DCSI's database
Number of CSIs supported through Rural Enterprise Development Scheme	Success to be measured by number of enterprises supported through Rural Enterprise Development Scheme (grant of core equipment to business).	DCSI's record	Biannually	EDD, DCSI
Number of reports compiled and submitted to the relevant authorities on the implementation status of CSMI Action Plan 2.	To be measured by the number of reports compiled and submitted to relevant authorities on the implementation status of CSMI AP 2.	Submission of CSMI AP 2 implementation progress reports by the stakeholders	Biannually	Programming Division, DCSI
Number of reports prepared	To be measured by number of CSI annual report	RTIO database/G2C online systems	Biannually	SBPD, DCSI
List of CSIs for priority sector lending prepared and approved by the Ministry	List of CSIs for priority sector lending prepared and approved by the Ministry	Administrative record of DCSI	Fortnightly	DCSI, MoEA
Number of award function organized	Number of award function organized; if no function has been organized, it shall be on the basis of stages of preparation for the award function.	Records maintained by DCSI	Annually	Programming Division, DCSI

Number of CSI entrepreneurs trained in business management	Number of CSI entrepreneurs trained in various areas of business management	DCSI's record	Annually	SBPD, DCSI
Number of entrepreneurs trained	Number of CSI entrepreneurs/employees trained in Hard Skills training	DCSI' record	Annually	SBPD, DCSI
Number of participants of workshops	Number of participants of the workshop	DCSI' s record	Annually	SBPD, DCSI
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 the level of awareness created among the employees on the tools. Of the total weightage (100 percent), 40 percent is assigned on the delivery part and 60 percent on the level of awareness created. Further 40 percent 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 & above (10%). The agencies will report on the above weightage (40 percent) using the standard form developed by ACC.	<ul style="list-style-type: none"> Supporting documents from the agencies Questionnaire based desk survey 	Annually	Admin Data

Percentage of employees who have declared asset on time	This indicator will be measured based on the proportion of employees who have declared asset on or before the deadline provided by ACC. For the purpose of evaluation all employees who have declared asset later than deadline shall be considered as non-declaration.	ACC system	Annually	Acc system and record with Administration section, MoEA
Percentage of annual budget utilization	This indicator measures the amount of variation between revised budget and expenditure of an agency for a fiscal year	Through analysis of annual budget and expenditure	Biannually	Accounts section
Number of participants trained	Number of government officials, stakeholder from NGOs and entrepreneurs trained	DCSI's record	Annually	PD, DCSI
Percentage of non ICT staff trained.	This success indicator measures the percentage of staffs other than ICT professional provided with training on basic ICT skills. This will reduce the turn around time of providing basic troubleshooting services. The training will be provided by ICT Division	Admin records on trainings conducted	Biannually	ICT division

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)
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Whereas,

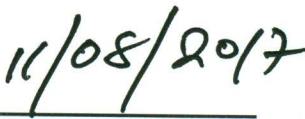
I, the Director General, Department Of Cottage & Small Industries, commit to the Secretary and the Minister, Ministry Of Economic Affairs to deliver the results described in this Annual Performance Agreement.

I, the Secretary, commit to the Director General, Department Of Cottage & Small Industries to provide necessary support for the delivery of results described in this Annual Performance Agreement.

SIGNED:



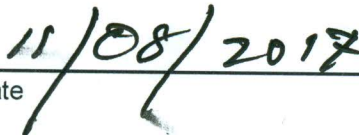
Secretary



Date



Tandin Tshering
Director General



Date

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