



PERFORMANCE AGREEMENT

BETWEEN

Secretary and Director General

**DEPARTMENT OF INDUSTRY
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 Industry.

The objectives of this Performance Agreement are:

a) To establish clarity and consensus about annual priorities for the Department Of Industry 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 Industry 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 2: Objectives, Success Indicators & Target

Objective	Weight	Action	Success Indicator	Unit	Weight	Excellent [100%]	Very Good [90%]	Good [80%]	Fair [70%]	Poor [60%]
To enhance economic expansion and diversification	65	Increase number of investments	Number of industries upgraded	Number	1	3	2	1	0	0
			Number of large and medium domestic industries approved	Number	8	20	15	10	8	<8
			Number of FDI Companies approved	Number	8	5	4	3	2	1
		Annual FDI Survey and Review conducted	Annual FDI review report completed	Status of Work	3	Report completed	-	-	-	-
		Development of Industrial Parks	Percentage of Motanga Industrial Park Developed	Percent	8	45	40	35	30	25
			Percentage of Jigmeling Industrial Park Developed	Percent	8	60	55	50	45	40
			Percentage of Bondeyma Industrial Park Completed	Percent	8	50	45	40	35	30
			Percentage of Dhamdum Industrial Park Completed	Percent	8	60	55	50	45	40
		Strengthening of existing industrial estates	Percentage of capital works completed in existing industrial estates	Percent	4	100	90	80	70	60
		FDI promotional activities conducted	Number of FDI promotional activities conducted	Number	3	2	1	0	0	0
		Design of investment promotion strategy completed	Development of investment profile and promotional materials for selected sectors	Status of Work	3	Final report accepted by the Department	Submission of final report	Submission of draft final report	Submission of preliminary report	Work initiated

To enhance economic expansion and diversification	65	Assessment of international/regional conventions and treaties on investment	Assessment report completed	Status of Work	3	Final report accepted by the Department	Submission of final report	Submission of draft final report	Submission of preliminary report	Work initiated
Enhance effectiveness and efficiency in public service delivery	15	Upgrade & Establish CRD as Autonomous Regulatory Authority in keeping with chapter 14 of Companies Act, 2016	Authority Established	Status of Work	3	Authority Established and launched	Initiated process with RCSC	Submitted for Cabinet Approval	Work initiated in Ministry	Work not initiated
		Enhance support services for industrial growth and development	Number of import licences issued for medium and large scale industries	Number	3	150	120	100	80	<80
			Industrial licence data compiled bi-annually	Status of Work	3	August 2017 and February 2018	September 2017 and March 2018	October 2017 and April 2018	November 2017 and May 2018	December 2017 and June 2018
		Percentage of operational industries using online Industrial Information System	Percent	3	60	50	40	30	<30	
Study on industrial linkages and cluster	Study on industrial linkages and cluster completed	Status of Work	3	Final report accepted by the Department	Submission of final report	Submission of Draft report	Submission of preliminary report	Work initiated		
Reduction in industrial pollution	5	Conducted environmental workshop/trainings for industries and RTIO officials	Environmental workshop/training conducted	Status of Work	2.5	Yes	No	No	No	No

Reduction in industrial pollution	5	Inspection of industries (delegated list) for environmental compliance	Number of industries inspected	Number	2.5	100	90	80	70	60
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
		Ensure compliance to e-GIF standards	Percentage compliance to e-GIF standards	Percent	1	100	-	-	-	<100
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 & 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	>90	89-80	79-70	69-60	<59
		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
To ensure full utilization of Budget	5	Ensure annual budget utilization	Percentage of annual budget utilization	Percent	5	100	90-99	80-89	70-79	<70

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]
Enhance effectiveness and efficiency in public service delivery	Enhance support services for industrial growth and development	Industrial licence data compiled bi-annually	Status of Work	-	-	-	-	Compiled and distributed
		Number of import licences issued for medium and large scale industries	Number	-	-	120	270	420
		Percentage of operational industries using online Industrial Information System	Percent	-	-	-	-	60
	Study on industrial linkages and cluster	Study on industrial linkages and cluster completed	Status of Work	-	-	-	-	Study/Report Completed
	Upgrade & Establish CRD as Autonomous Regulatory Authority in keeping with chapter 14 of Companies Act, 2016	Authority Established	Status of Work	-	-	-	-	Authority Established
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	100	100	100	100	100

Implement National Integrity and Anti-Corruption Strategy (NIACS)	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	-	-	-	-	-
Reduction in industrial pollution	Conducted environmental workshop/trainings for industries and RTIO officials	Environmental workshop/training conducted	Status of Work	-	-	-	-	Workshop conducted
	Inspection of industries (delegated list) for environmental compliance	Number of industries inspected	Number	-	-	100	200	300
To enable effective and efficient ICT Service delivery	Enhance basic ICT skills of non ICT staff members	Percentage of non ICT staff trained	Percent	-	-	-	-	50
	Ensure compliance to e-GIF standards	Percentage compliance to e-GIF standards	Percent	-	-	-	-	100
To enhance economic expansion and diversification	Annual FDI Survey and Review conducted	Annual FDI review report completed	Status of Work	-	-	-	-	Report completed

To enhance economic expansion and diversification	Assessment of international/regional conventions and treaties on investment	Assessment report completed	Status of Work	-	-	-	-	Assessment report completed
	Design of investment promotion strategy completed	Development of investment profile and promotional materials for selected sectors	Status of Work	-	-	-	-	Designing completed
	Development of Industrial Parks	Percentage of Jigmeling Industrial Park Developed	Percent	0	0	5	24	60
		Percentage of Bondeyma Industrial Park Completed	Percent	-	-	9	20	50
		Percentage of Dhamdum Industrial Park Completed	Percent	-	-	-	35	60
		Percentage of Motanga Industrial Park Developed	Percent	0	7	15	33	45
	FDI promotional activities conducted	Number of FDI promotional activities conducted	Number	-	-	4	6	8
	Increase number of investments	Number of FDI Companies approved	Number	47	52	57	62	67
		Number of industries upgraded	Number	-	-	-	-	3
		Number of large and medium domestic industries approved	Number	341	374	418	460	480
	Strengthening of existing industrial estates	Percentage of capital works completed in existing industrial estates	Percent	38	58	87	98	100

To ensure full utilization of Budget	Ensure annual budget utilization	Percentage of annual budget utilization	Percent	-	-	-	-	100
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Section 4: Definition of Success Indicators

Success Indicator	Description	Data Collection Methodology	Data Collection Frequency	Data Source
Percentage of Motanga Industrial Park Developed	<p>The following works will be carried out in the FY 2017-18:</p> <ul style="list-style-type: none"> • Road construction (remaining 10% completed) • Water supply works (remaining 40% completed) • Construction of estate management office (remaining 80% completed) <p>Construction of Misc. infrastructure (subject to availability of fund): Entry Gate and Security Check Post, Security Guard Quarters, Watch Tower, Provision of Street Lighting</p>	Physical progress	Annually	DoI, MoEA
Percentage of Jigmeling Industrial Park Developed	<p>The following works will be carried out in the FY 2017-18:</p> <ul style="list-style-type: none"> • Construction of roads and drains (remaining 65% completed) • Water supply works (remaining 70% completed) • Construction of estate management office (remaining 20% completed) • Construction of watch tower and security guard quarter (100% completed) • Construction of Misc. infrastructure completed (entry gate, public toilet and street lighting) 	Physical progress	Annually	DoI, MoEA

Percentage of Bondeyma Industrial Park Completed	<p>The following works will be carried out in the FY 2017-18:</p> <ul style="list-style-type: none"> • Internal roads construction (remaining 35% completed) • Water supply works (remaining 25% completed) • Construction of estate management office (remaining 20% completed) • Construction of security guard quarter (100 % completed) • Construction of Misc. infrastructure completed (entry gate, public toilet and street lighting) 	Physical progress	Annually	DoI, MoEA
Percentage of Dhamdum Industrial Park Completed	<p>The following works will be carried out in the FY 2017-18:</p> <ul style="list-style-type: none"> • Construction of roads and drains (remaining 10% completed) • River training works (Package B) – (remaining 5% completed) • Water supply works (remaining 60% completed) • Construction of estate management office (remaining 20% completed) • Construction of boundary wall (remaining 20% completed) • Construction of watch tower and security guard quarter (100% completed) • Construction of Misc. infrastructure completed (entry gate, public toilet and street lightings) 	Physical progress	Annually	DoI, MoEA

Percentage of capital works completed in existing industrial estates	The following works will be carried out in the FY 2017-18: i. Changzamtog Service Center: • Maintenance of center properties ii. Bjemina Industrial Estate • Widening and improvement of existing internal road including side drains and new footpath • Maintenance of estate properties iii. Pasakha Industrial Estate • Maintenance of estate properties • Construction and improvement of existing patrol road • River training works for Singye river • Landscaping and side development works • Development of parking • Construction of chain link fence for Estate Management Office	Physical progress	Annually	DoI, MoEA
Number of large and medium domestic industries approved	The objective is to increase the number of large and medium scale industry including FDI	Numbers	Annually	DoI, MoEA
Number of FDI Companies approved	The objective is to increase the number of large and medium scale industry including FDI	Number of FDI projects approved	Annually	DoI, MoEA
Number of industries upgraded	Up-gradation of the existing industries.	Numbers	Annually	PCD, DoI, MoEA
Number of FDI promotional activities conducted	Conducting of FDI investment meetings, road show, hosting of business delegations, etc.	Number of promotional activities conducted	Annually	DoI, MoEA
Annual FDI review report completed	Annual FDI review report	Progress of the work	Annually	DoI, MoEA
Assessment report completed	Assessment report of international/regional conventions and treaties on investment completed	Report completed	Annually	Administrative record, DoI, MoEA

Authority Established	Upgrade & establish CRD as Autonomous Regulatory Authority in keeping with chapter 14 of Companies Act, 2016	Progress of the work	Annually	CRD, DoI, MoEA
Number of import licences issued for medium and large scale industries	Verification and recommendation of import licence application for large and medium scale industries	Number	Annually	DoI, MoEA
Industrial licence data compiled bi-annually	Industrial licence data compiled and distributed bi-annually	Data collection	Biannually	DoI, MoEA
Study on industrial linkages and cluster completed	Study on industrial linkages and clusters	Progress of the work	Annually	DoI, MoEA
Environmental workshop/training conducted	Environmental workshop/trainings for industries and RTIO officials	Progress of the work	Annually	DoI, MoEA
Number of industries inspected	Inspection of industries for environmental compliance	Number of industries inspected	Annually	DoI, MoEA

<p>Percentage of employees sensitized on: - Gifts, Conflicts of Interest, Code of Conduct, Asset Declaration and Grievance Redress Mechanism</p>	<p>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</p>	<ul style="list-style-type: none"> • Supporting documents from the agencies • Questionnaire based desk survey 	<p>Annually</p>	<p>Admin data</p>
<p>Percentage of employees who have declared asset on time</p>	<p>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-declarant</p>	<p>Acc system and record with Administration section, MoEA</p>	<p>Annually</p>	<p>ACC System</p>
<p>Percentage of annual budget utilization</p>	<p>This indicator measures the amount of variation between revised budget and expenditure of an agency for a fiscal year</p>	<p>Through analysis of annual budget and expenditure</p>	<p>Annually</p>	<p>Accounts Section</p>

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
Percentage compliance to e-GIF standards	This success indicator 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 Motanga Industrial Park Developed	Timely obtaining of funds from the Ministry of Finance (MoF)	AFD being focal for obtaining approved budget from MoF	Funds to be obtained within FY 2017-18 for capital works as per budget proposal yet to be submitted to MoF	The target will not be achieved
SECRETARIAT	Percentage of Motanga Industrial Park Developed	Replacement of staff of the Industrial Infrastructure Development Division who have resigned, been transferred, or sent on secondment to compensate and update staff strength as per RCSC's HR approved strength	Provision of adequate HR to carry out the various day to day activities for the management and maintenance of existing industrial estates as well as to assist in the numerous project related activities for the development of the new industrial parks	Replacement of: 1. Executive Engineer (1 no.) who resigned. 2. Architect (1 no.) who is on secondment. 3. Engineers (2 nos.) who resigned. 4. All other staff replacements or new recruitments that have been approved by the RCSC for within the current FYP	The target will not be achieved.

SECRETARIAT	Authority Established	<p>1. Ministry of Finance should allocate adequate resources for regulatory body being established under the Law.</p> <p>2. Timely approval of HR on the office structure for the new authority.</p>	<p>1. The office will need budgetary support until it assumes self sustaining mandates.</p> <p>2. RCSC has to approve adequate for the authority as it delinks itself from MoEA (civil service).</p>	<p>1. Office needs:</p> <ul style="list-style-type: none"> a) Full overhead cost of an autonomous body. b) Office rent or govt office space for 20-30 officials. c) 3 Cars (1-SUV, 2-Pool) <p>2. RCSC shall approve structure with 20-35 officials including support staff by end of 2017.</p>	The target will not be achieved.
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Whereas,


I, the Director General, Department Of Industry, 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 Industry to provide necessary support for the delivery of results described in this Annual Performance Agreement.


SIGNED:



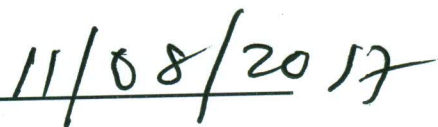
Secretary



Date



Dasho Phuntso Norbu
Director General



Date