



PERFORMANCE AGREEMENT

BETWEEN

Secretary and Director General

**DEPARTMENT OF COTTAGE & SMALL INDUSTRY
MINISTRY OF ECONOMIC AFFAIRS**

(July 1, 2018 – June 30, 2019)

TABLE OF CONTENTS

Section 1: Vision, Mission and Objectives

Section 2: Objectives, Actions, Success Indicators and Target

Section 3: Trend Values of Success Indicators

Section 4: Description and Measurement of Success Indicators.

Section 5: Requirements from other Departments & Secretariat Divisions

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 12th Five Year Plan of the Ministry, and Government's 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 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

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	52	CSI developed	Number of Jobs created in CSI	Number	8	2312	2080	1850	1618	1387
		Support Services (Import/Visas/SRFL/fiscal incentives recommendations and One Stop Information Centre etc.)	Number of CSIs/clients facilitated	Number	3	150	135	120	105	90
		CSIs developed	Number of CSIs operational	Number	8	507	456	405	355	304
			Number of incubatees supported at Startup Centre, Changzamtog	Number	6	12	10	9	8	7
		Compile, analyze and prepare annual CSI report	Number of reports prepared	Status of Work	7	Annual Report published	Report finalized but not published	Draft report completed	Incomplete report	Work initiated
		Report for establishment of 1 mini industrial estate	Draft DPR Report completed for establishment of 1 mini industrial estate	Status of Work	4	Draft Report completed and submitted to Department	Draft Report completed	Draft report compiled but not completed	Incomplete report	Preliminary work started for Report
		Number of Mini-industrial Estates identified	Identify 3 sites for mini industrial estates	Status of Work	3	3 sites identified	2 sites identified	1 site identified	Preliminary work for identification started	MIE sites were not identified
		Number of Startup Centre identified	Identify 2 sites for Startup Center/Business Incubation Center	Status of Work	3	2 sites identified	1 site identified	0	Preliminary work for identification started	Startup Center sites were not identified

		Online application System for Priority Sector Lending Scheme	PSL online system launched and operational	Status of Work	6	PSL online system launched and operational	PSL online System launched	PSL online System developed and ready	PSL online System development ongoing	PSL online System not developed
		To evaluate the CSMI Action plan (2015-2018) and prepare the final CSMI Action Plan (2019-2020)	CSMI AP (2015-2018) evaluated and CSMI AP (2019-202) prepared	Status of Work	4	Evaluation of the CSMI AP (2015-2018) completed and final CSMI AP (2019-2020) developed	Draft report completed	Draft Report complied but not complete	Incomplete report	Preliminary work started for evaluation and preparation of final AP
To enhance human capital & develop culture of entrepreneurship	30	To provide business management training to CSIs (Soft Skill)	Number of CSIs trained in various soft skills training	Number	7	50	45	40	35	30
		Organize annual Bhutan Enterprise Award function to reward promising entrepreneurs	Bhutan Enterprise Award function organized	Status of Work	8	Award function organized	Final Assessment Committee work completed	Field Assessment Team work completed	Preliminary Evaluation Committee work completed	Only verification of applicants completed
		To provide advanced training to CSIs (Hard Skills)	Number of CSIs trained in various hard skills training	Number	7	50	45	40	35	30
		To conduct Business Advocacy Workshops for potential entrepreneurs	Number of participants of the advocacy workshop	Number	8	400	360	320	280	240
To enhance capacity of institutions	18	Launch of catalogue - "Gakyed Gatoen – Festival of Happiness"	Number of catalogue launched	Number	6	1 catalogue launched	Final Catalogue ready but not launched	Draft final catalogue ready	Draft catalogue ready	Compiled list of program providers for the catalogue

	Train government officials, stakeholders from NGOs and entrepreneurs on Decentralized Hands on Program and Exhibition (D-HOPE)	Number of participants trained	Number	4	5	4	3	2	1
	Conduct Annual CSI fair	Annual CSI Fair conducted	Number	8	Annual CSI Fair conducted	Prerequisites for the fair completed	Selection of the Event Manager completed	Selection of the participants completed	Advertisement of participants and event manager for the CSI Fair

Section 3: Trend values of success indicators

Objective	Action	Success Indicator1	Unit	Actual Values [FY 2018-19]	Actual Values [FY 2019-20]	Target Values [FY 2020-21]	Projected Values [FY 2021-22]	Projected Values [FY 2022-23]
To Develop cottage and small industries in Bhutan	Compile, analyze and prepare annual CSI report	Number of reports prepared	Status of Work					
	CSI developed	Number of Jobs created in CSI	Number					
	CSIs developed	Number of CSIs operational	Number					
		Number of incubatees supported at Startup Centre, Changzamtog	Number					
	Number of Mini-industrial Estates identified	Identify 3 sites for mini industrial estates	Status of Work					
	Number of Startup Centre identified	Identify 2 sites for Startup Center/Business Incubation Center	Status of Work					
	Online application System for Priority Sector Lending Scheme	PSL online system launched and operational	Status of Work					
	Report for establishment of 1 mini industrial estate	Draft DPR Report completed for establishment of 1 mini industrial estate	Status of Work					
	Support Services (Import/Visas/SRFL/fiscal incentives)	Number of CSIs/clients facilitated	Number					

	recommendations and One Stop Information Centre etc.)							
	To evaluate the CSMI Action plan (2015-2018) and prepare the final CSMI Action Plan (2019-2020)	CSMI AP (2015-2018) evaluated and CSMI AP (2019-2020) prepared	Status of Work					
To enhance capacity of institutions	Conduct Annual CSI fair	Annual CSI Fair conducted	Number					
	Launch of catalogue - "Gakyed Gatoen – Festival of Happiness"	Number of catalogue launched	Number					
	Train government officials, stakeholders from NGOs and entrepreneurs on Decentralized Hands on Program and Exhibition (D-HOPE)	Number of participants trained	Number					
To enhance human capital & develop culture of entrepreneurship	Organize annual Bhutan Enterprise Award function to reward promising entrepreneurs	Bhutan Enterprise Award function organized	Status of Work					

To conduct Business Advocacy Workshops for potential entrepreneurs	Number of participants of the advocacy workshop	Number					
To provide advanced training to CSIs (Hard Skills)	Number of CSIs trained in various hard skills training	Number					
To provide business management training to CSIs (Soft Skill)	Number of CSIs trained in various soft skills training	Number					

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 CSIs licensed	Annual CSI report	Monthly	Database maintained by RTIOs/ accessed via G2C online system
Number of incubatees supported at Startup Centre, Changzamtog	To be determined by number of incubatees supported at the Startup Centre, Changzamtog through skills development training, preferences to schemes, market support etc.	DCSI's record	Biannually	Enterprise Development Division (EDD), DCSI
Number of reports prepared	To be measured by number of annual CSI report	RTIO database/G2C online system	Annually	PD, DCSI
Number of CSIs/clients facilitated	To be determined by the number of CSIs/clients facilitated in areas of Business Development Services such as Import License, Business Visa, Fiscal incentives etc.	DCSI' s record	Monthly	EDD, SBPD and PD, DCSI
Number of Jobs created in CSI	Number of jobs created in the CSI sector	Annual CSI Report	Monthly	Databases maintained by RTIOs/ accessed via G2C online system, PD, DCSI
Identify 3 sites for mini industrial estates	Success to be determined by number of MIE sites identified	DCSI Record	Annually	EDD, DCSI
Identify 2 sites for Startup Center/Business Incubation Center	Success to be determined by number of Startup Center/Business Incubation Center sites identified	DCSI Record	Annually	EDD, DCSI
PSL online system launched and operational	PSL Online system to be developed, launched and fully	DCSI	Annually	PD, DCSI

	operational			
CSMI AP (2015-2018) evaluated and CSMI AP (2019-202) prepared	Evaluation of the CSMI Action plan (2015-2018) completed and final CSMI Action Plan (2019-2020) prepared and approved by the Department	DCSI	Annually	PD, DCSI
Draft DPR Report completed for establishment of 1 mini industrial estate	Draft DPR Report completed and submitted to Department for establishment of 1 Mini-industrial estates	DCSI's record	Annually	EDD, DCSI
Number of CSIs trained in various soft skills training	Number of CSIs trained	DCSI's record	Annually	SBPD, DCSI
Number of participants of the advocacy workshop	Number of Business Advocacy Workshop participants	DCSI	Annually	SBPD, DCSI
Number of CSIs trained in various hard skills training	Number of CSIs trained in hard skills	DCSI's record	Annually	SBPD, DCSI
Bhutan Enterprise Award function organized	Bhutan Enterprise Award function organized; if no function has been organized, it shall be on the basis of stages of preparation for the award function.	DCSI's record	Annually	PD, DCSI
Number of participants trained	Number of government officials, stakeholder from NGOs and entrepreneurs trained	DCSI's record	Annually	PD, DCSI
Number of catalogue launched	Number of catalogue launched (either online or hard copy).	DCSI's Record	Annually	PD, DCSI
Annual CSI Fair conducted	Annual CSI Fair conducted	DCSI's record	Annually	PD, DCSI

Section 5: Requirements from other Departments & Secretariat Divisions

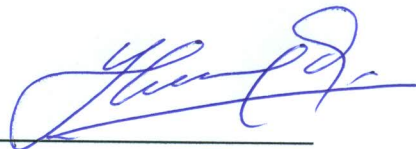
Organisation Name	Relevant Success Indicator	Requirement from the Organisation	Justification for the Requirement	Requirement detail	Impact (If Not Met)
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Whereas,

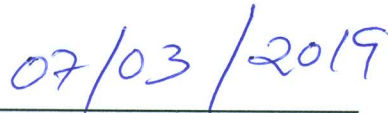
I, the Director General, Department of Cottage & Small Industry, commit to the Secretary and the Minister, Ministry of Economic Affairs to deliver the results described in this Annual Performance Agreement.

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

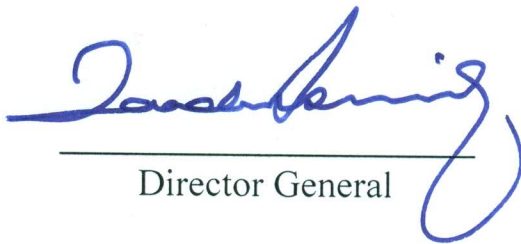
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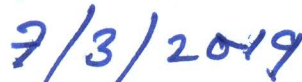
Secretary



Date



Director General



Date

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