



Rural Enterprise Development Corporation Limited

ANNUAL REPORT, 2017





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FOREWORD

BY THE CHAIRMAN

On behalf of the Rural Enterprise Development Corporation Limited (REDCL), I am pleased to present the Annual Report for the year 2017.

In its second year we look at the progress in a more expressive way to showcase the year's progress. We bring our success stories on ground with pictures, the facts and figures to mark this year's endeavor by the employees and management with the support of the board members.

We hope our readers will experience as you flip through the pages the stories of our clients and the progress of fulfilling the mandates as set forth by the Government.

REDCL manages the Revolving Fund in a sustainable manner to foster the growth of the non-formal rural activities that will contribute to employment creation, export enhancement or import substitution and rural development by providing necessary supports.

This year we also like to thank our stakeholder partners especially Department of Agriculture and Department of Livestock under Ministry of Agriculture and Forests especially those 'champions' who are based in the dzongkhags and gewogs for their selfless support to the people in the villages and making possible for REDCL to take the fund support upon their technical verification.

We are indeed grateful to foster our partnership with the aforementioned partners for long run to bring the services of REDCL in all rural parts of the country.

REDCL was inaugurated on 21st May 2016 as a special purpose of implementing Revolving Fund II. Since the establishment of REDCL, it has been a very challenging and exciting endeavor to ensure the organizational set up and continue service delivery to the public after the closure of erstwhile Business Opportunity and Information Centre. Within the short period of time, REDCL has managed to adopt new and challenging strategies to enable smooth flow of fund services.



Lekzang Dorji
CHAIRMAN



CEO'S REPORT

It is my pleasure to present the Second Annual Report of REDCL for the year 2017. The establishment of REDCL by the Government enabled to continue the services under RF II which was managed by the erstwhile BOIC.

This year we dedicate our Annual Report to our clients by showcasing their efforts towards becoming rural entrepreneurs. With stories send by our Fund Councilors in the dzongkhags and experiences shared by the clients, we hope to let our readers into a world of entrepreneurship in rural Bhutan. Also as a special feature we bring our readers the grey shades of stories where by the clients have not been avail the fund from REDCL. We wish all our clients all the more success and look forward to working together for better livelihood.

Over the short span of time, REDCL was able to recruit employees for the smooth operations of the business and today we have 37 employees. In a move to take the services of REDCL to the doorstep of rural entrepreneurs, the initiative to open branch offices in 19 other Dzongkhags except Thimphu was started in 2016.

We would like to thank our Board of Directors for the invaluable guidance, partner agencies and all the Dasho Dzongdags of twenty Dzongkhags for their kind and continued support.



Pema Wangdi
CHIEF EXECUTIVE OFFICER



VISION

"To generate employment, substitute imports and/or promote exports by promoting non-formal rural activities through timely integrated business support".



MISSION

"To stimulate growth of non-formal rural activities by providing necessary support, both administrative and funding support".



OBJECTIVE

The main objective of REDCL is to provide Fund for the non-formal rural activities on a low interest rate of 4% per annum and without any collateral requirement in order to stimulate economic activities and add value to the domestic resources and create employment.

REDCL Head Office located at San Maru Building, Chubachu Traffic Junction.

BRIEF PROFILE OF REDCL

The primary purpose of establishing REDCL is to stimulate growth of non-formal rural activities through an integrated business support, in terms of both administrative and financial.

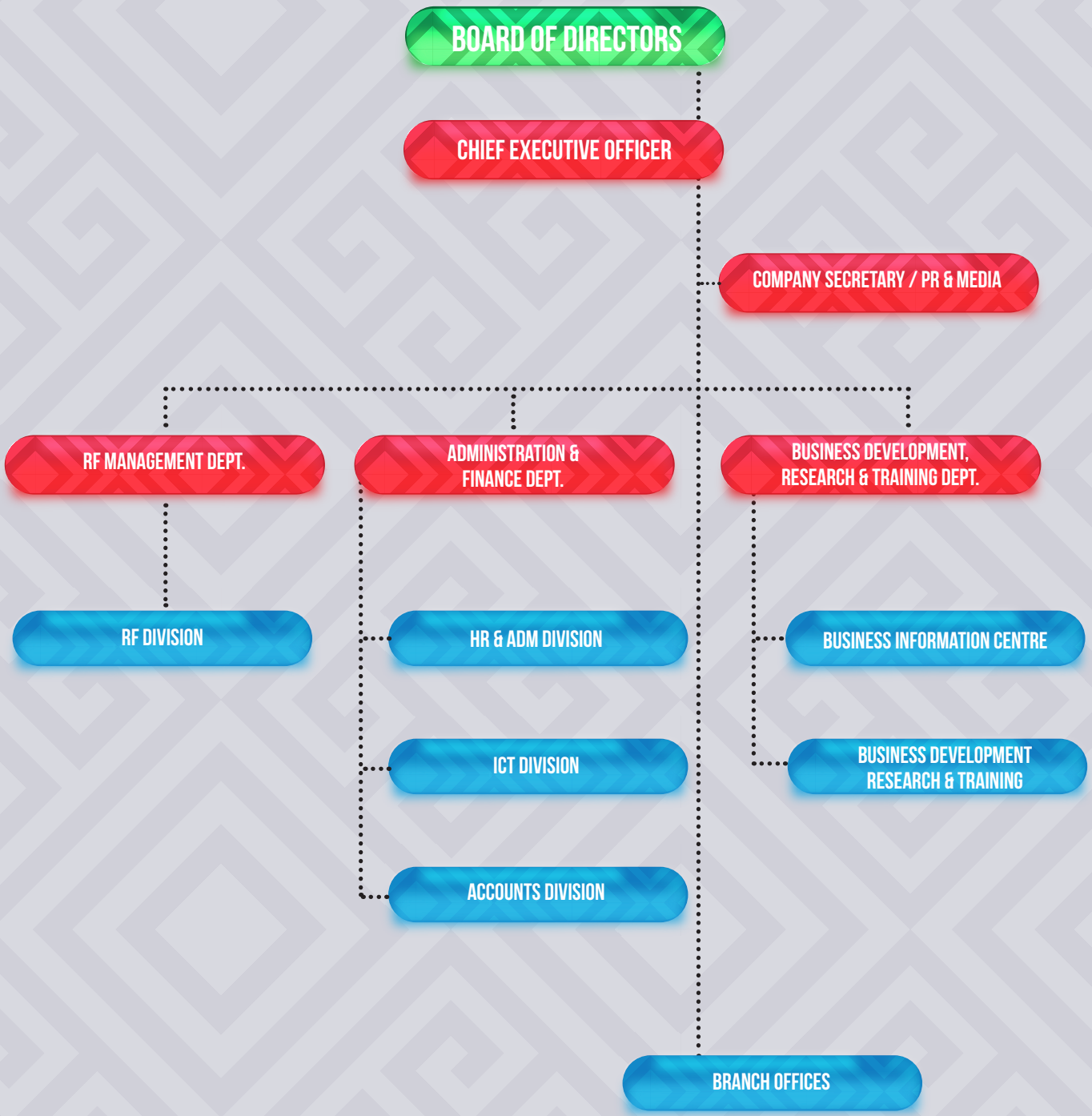
The REDCL is also mandated to act as one-stop center for information – on business opportunities in the country, business start-up protocol, extant business laws, rules & regulations. In order to fulfill

this mandate, the Rural Enterprise Development Corporation Limited (REDCL) has been established to gather information on these topics and disseminate them to the general public. Therefore, REDCL essentially is an information bank which will facilitate the entrepreneurs in starting their business by providing all necessary information through face-to-face interaction, mentoring, online services, distributing forms, templates, brochures, etc.

ORGANIZATION STRUCTURE

REDCL has a clearly defined organization structure with the CEO as the executive head who reports to the Board of Directors. The Board is the Apex Authority and is guided by the CEO and management in the day-to-day operations of the office. The organization structure consists of Departments and Divisions at the Head Office which are headed by a General Manager/Head who reports to the CEO. They are referred to as Head of Department (HOD).

The organization structure also includes Branch Offices (BO) in all the Dzongkhags managed by a Fund Counsellor (FC) who reports to the Management.



GOVERNANCE AND BOARD OF DIRECTORS

He is currently the Director of Department of Macroeconomic Affairs, MoF. Prior to his current post, he was the Director of Department of National Budget, MoF and worked at various levels in DNB shouldering various responsibilities. He has a wide range of work experience in the areas of finance, budgeting and accounting.

He has a Master Degree in Professional Accountancy from the University of Canberra, Australia and B.Com (Hons) from Shri Ram College of Commerce, Delh, India.

Mr. Lekzang worked with World Bank on Secondment at its Headquarter in Washington DC, USA for more than a year. He was attached with South Asia Region-Financial Management Unit, and while in the World Bank, he was a core member from World Bank on the Public Expenditure Accountability Assessment (PEAA) exercise carried out for Bhutan jointly by World Bank and the Royal Government of Bhutan (Report Published in 2010).

He is also currently a Board Director of Food Corporation of Bhutan Ltd., Druk Green Power Corporation and Bhutan Duty Free Corporation Ltd. He has also served as Board Director of Bhutan Power Corporation Ltd and erstwhile Druk Seed Corporation Ltd. He has many years of experience in corporate governance.

He also serves as a Board Director from Bhutan on SAARC Development Fund and was alternate Director in the past.



Mr. Jambay Yeshi is the Chief Industries Officer at the Department of Cottage and Small Industry under the Ministry of Economic Affairs.

He received his Master of Business (PR) from Queensland University of Technology, Australia in 2010, and BA Economics (Honours) from Sherubtse College in 1996.



Mr. Naiten Wangchuk is the Chief Livestock Officer of the Research and Extension Division under the Department of Livestock, Ministry of Agriculture and Forests. Prior to becoming the Chief, he had served as project officer at Wang Watershed Management Project, Paro, and Farm Manager at National Jersey Breeding Center, Samtse.

He has a Master Degree in Animal Science from Wageningen University and Research Center, Netherland and Bachelor of Science in Agriculture from Central Luzon State University in the Philippines.



Ms. Kinlay Tshering has been appointed as the new Director for the Department of Agriculture (DoA), Ministry of Agriculture and Forests (MoAF). She formerly served as the Chief Horticulture Officer for Horticulture Division, DoA, MoAF from October 2010 till October 2016.

Ms. Kinlay joined the civil service in 1999 as a researcher and has served for RNR research centers in Khangma, Wengkhar and Yusipang. She then joined the Council for RNR Research of Bhutan, MoAF as Dy. Chief Research Officer in 2010.

She has a Masters Degree in Horticulture from Melbourne University, Australia and a Bachelors Degree in Horticulture from Wye College, University of London, United Kingdom. She also has a Post Graduate Diploma in Agricultural Science, a Diploma in Vegetable Production and Research and a Certificate in Plant Pathology and Biotechnology.

Of the numerous publications she made, "Evaluation of Potato Varieties in Multi-Location Trials together with the Farmers", Citrus Cultivars: Potential for Increasing the Citrus Cultivation Range, Pathogenic variability of *Colletotrichum capsici* Isolates in Chili, Morphological and Molecular Characterization of *Colletotrichum capsici*, Bulb Onions.....A Potential Crop for Domestic Market and Agriculture and Usage of Natural Resources in Bhutan are some of the journal papers she published.

Currently she serves as the Director on the Board of NRDC, FMCL, BAIL and REDCL and she is also the Governing Board member of National Centre for Hydrology and Meteorology.



Mr. Pema Wangdi is the Chief Executive Officer of Rural Enterprise Development Corporation Limited (REDCL). Prior to the current posts he was with erstwhile Business Opportunity and Information Centre (BOIC) as the Director for Business Development, Research and Training Department.

He started his career in 1996 as Lecturer at the Royal Institute of Management teaching Corporate Finance, Commercial Accounting and other management modules and resigned in 2010 as Sr. Lecturer and Head of Department of Finance & Business. The same year he entered the corporate world as General Manager, Marketing & Business Development with the Natural Resources Development Corporation Ltd. and worked till March 2013.

He has a Master Degree in Business Management from Asian Institute of Management, Manila, Philippines and B.Com (H) from Sherubtse College, Bhutan under Delhi University.

He is a recipient of CMO's (Consortium of Management Organization's) Asia's Best B-School Award" of "Best Professor in Financial Management" and also a recipient of Principal's Medal for Activities from Sherubtse College in 1995. He was selected for Royal Civil Service Commission Officers' Cadre in 1996.

He also serves as the Board Director to BDBL. He is the Chairman of Corporate Governance Board Committee, BDBL; Board member of Risk Management Board Committee, BDBL, Audit Board Committee, BDBL and a member of Project Management Unit, Bhutan Chamber of Commerce & Industry (BCCI).



DIRECTOR'S REPORT, 2017

1. REDCL: BRIEF PROFILE

Rural Enterprise Development Corporation Ltd (REDCL) was launched on 21st May, 2016 through the Government Order C-2/101/303 dated 18th May, 2016 with the objective to continue the activities of Revolving Fund-II of the erstwhile Business Opportunity and Information Centre (BOiC). REDCL has been incorporated as a Public Limited Company under the Companies Act of Kingdom of Bhutan, 2000 and licensed as a Micro Finance Institution Bank by the Royal Monetary Authority (RMA).

2. REVOLVING FUND-II

2.1 FUND FOR RF-II AND OFFICE OPERATIONS

Out of the Nu. 400 million fund for RF-II activities and office operations, as of 31st December 2017, Nu. 207.296 million has been received for RF-II fund and Nu.104468 million for office operations totaling to Nu. 311.764 million.

2.2 RF-II ACTIVITIES

After its establishment, REDCL has carried out extensive sensitization and awareness programs in 204 gewogs. Lunana gewog could not be covered due to the geographical difficulty. Following the sensitization and awareness program, the office received overwhelming applications for the RF-II loan. In total, REDCL has received 6444 applications out of which 2419 applications were received in 2017 alone. In terms of disbursement, the total fund disbursed as of 31st December 2017 stands at Nu.105,620,51347 as highlighted in the table below:

STATUS OF APPLICATIONS RECEIVED FOR RF II

(1st Jan – 31st Dec, 2017)

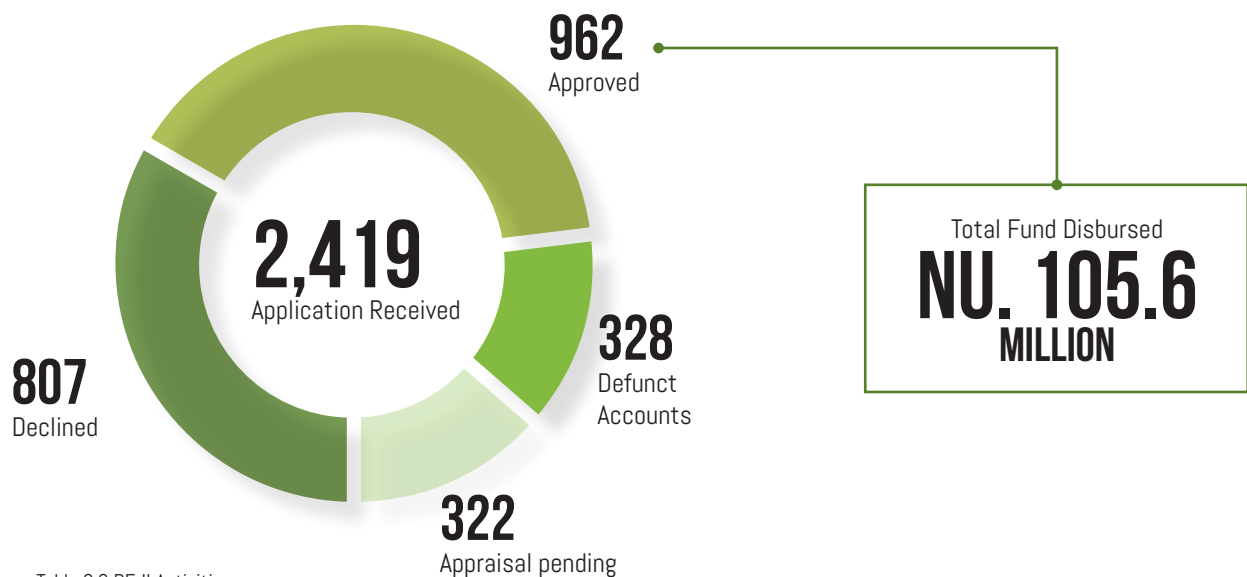


Table 2.2 RF-II Activities

2.2.1 PROJECTS REGISTERED - DZONGKHAG-WISE

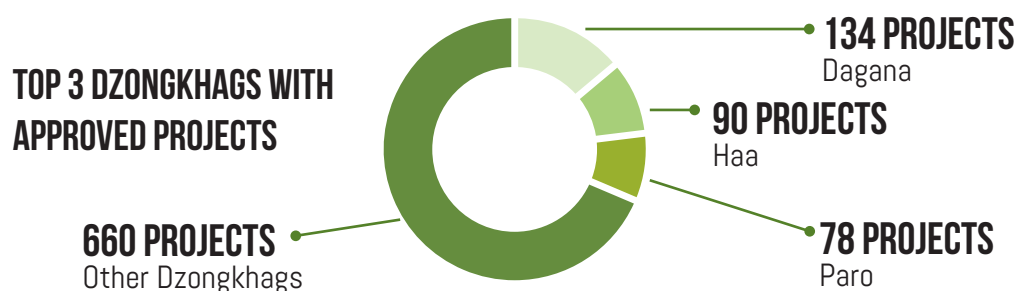
Among the Dzongkhags, Dagana and Samdrup Jongkhar Dzongkhag topped the list of number of projects registered with 273 projects out of the total 2419 representing about 11.29%. This was followed by Paro Dzongkhag with 267 projects and Wangduephodrang Dzongkhag with 176 projects. The least number of projects registered was Samtse Dzongkhag with only 3 projects. The detailed Dzongkhag-wise projects registered is shown below:

Table 2.2.1 Projects Registered and Approved Dzongkhag-wise

SL. NO	DZONGKHAG	NO. OF APPLICATIONS	NO. OF APPROVED PROJECTS
1	Bumthang	103	48
2	Chukha	165	67
3	Dagana	273	134
4	Gasa	11	2
5	Haa	131	90
6	Lhuntse	75	32
7	Mongar	60	22
8	Paro	267	78
9	Pemagatshel	114	0
10	Punakha	113	35
11	Samdrup Jongkhar	273	49
12	Samtse	3	38
13	Sarpang	103	26
14	Thimphu	46	28
15	Trashigang	175	77
16	Trashiyangtse	135	54
17	Trongsa	81	31
18	Tsirang	44	19
19	Wangduephodrang	176	61
20	Zhemgang	71	31
	TOTAL	2,419	962

2.2.2 PROJECTS APPROVED - DZONGKHAG-WISE

Of the total number of projects received of 2419, 962 projects have been approved as of 31 December 2017 representing 40% of the total projects received. Out of these 962 approved projects, Dagana Dzongkhag topped the list with approved projects of 134 followed by Haa and Paro Dzongkhag with 90 and 78 approved projects respectively. The approval of the projects by Dzongkhag-wise is shown above;





2.3 REPAYMENT ACCOUNT

As per the bank statement provided by Bhutan Development Bank Limited (BDBL), as of 31st December 2017, a total of Nu.76,532,76545 is deposited in the repayment account, of which Nu.68,642,691.30 is the Principal amount and Nu.7,890,074.15 is the interest amount.

2.4 INVESTMENT IN FIXED DEPOSIT (FD)

As directed by MoF to plough back the Principal amount to fund the RF-II activities and to utilize the interest amount for office operations, the Principal amount with the approval from the Board was invested as Fixed Deposit (FD) for 6 months @5% p.a with BDBL. This initiative proved beneficial to REDCL because the interest amount on FD which is about 1 million is able to meet the operation expenses up to a certain extent.

3. ACHIEVEMENTS IN 2017

3.1 PROJECTS FUNDED AND EMPLOYMENT CREATION

REDCL is bound by the Annual Performance Agreement (APA) signed between the Chairman of the Board and the Chief Executive Officer. As per APA document 2017, REDCL was required to fund 300 numbers of RF-II projects and on the assumption that each project would create at least one job opportunity, the number of employment created would be 300. REDCL approved a total of 962 projects as compared to the target of 300 projects thereby exceeding the target by 662 projects, which is 320.70% achievement.

The target and achievement of number of projects and employment is shown as under;

FUND TYPE	TARGET NO. OF PROJECTS	TARGET EMPLOYMENT	ACHIEVEMENT	% ACHIEVED
RF-II	300	300	962	320.70

3.2 INTEREST INCOME EARNED

In 2017, REDCL office earned an interest income of Nu.3.63 million. An amount of Nu.2.23 million was earned in 2016. The increase in income from 2016 to 2017 was Nu.1.4 million or 62.78%.

3.3 NON-PERFORMING LOAN (NPL)

One of the major activities of REDCL for the year 2017 was to bring down the NPL rate from 27% to 25%. However the NPL rate of 27% was still below the acceptable limit of 30% as authorized by the Royal Government. In order to achieve this target, REDCL formulated and implemented various recovery strategies. As a result, the NPL rate was reduced to 18.7% from 27% as against the target of 25% which is a big achievement.

3.4 FOCAL OFFICERS IN THE DZONGKHAG

In order to reach the RF-II fund and services nearer to the rural people, 20 Fund Counsellors were recruited and trained in 2016 and placed in their respective Dzongkhags from January 2017. With a focal officer each in the Dzongkhags, it has benefitted the rural people in terms of cost and time since they no more have to travel all the way to Thimphu to apply for RF-II loan.

4. HUMAN RESOURCES CAPACITY DEVELOPMENT

Recognizing the importance of human resources in the organization, REDCL places the highest priority to providing appropriate capacity development training and welfare to its employees. With a compact workforce of 38, various programs such as the on-the job learning, annual retreat and training and multi-tasking are offered to the staffs to enhance their productivity and efficiency.

In 2017, as part of the training program for enhancing the professional development of the employees, a total of 29 employees underwent various in-country and ex-country training programs.



The year 2017 also started off with the signing of the Annual Performance Agreement (APA) between the Chairman of the Board representing the Board and the Chief Executive Officer representing the Management. To achieve the overall REDCL targets, the office introduced the Performance Management System (PMS) for individual employees where the individual performance target is aligned with that of the REDCL. Introduction of PMS is also intended to reward hardworking, dedicated and deserving employees. The year also saw the adoption of the Service Rules and Regulations to respond to the ever-changing needs and demands and for the growth of the organization.

5. CHALLENGES

5.1 LIMITED INVESTMENT AVENUES

REDCL is mandated to provide RF-II loans to the rural unemployed people only at a nominal interest rate of 4% p.a. Since there is no scope for other investments, the interest income earned from the RF-II loan is insufficient to sustain the office. This poses a challenge and a threat to the long term sustainability of the office.

5.2 GEOGRAPHIC FACTORS

One of the major challenges for REDCL is the geographical location of the rural villages. Some of the villages are located in far-flung areas which creates a problem for REDCL both in terms of reaching the fund facility to them and also in terms of recovery of the loan amount.



5.3 BDBL SUPPORT AND SERVICES

BDBL has been rendering support to REDCL in terms of post-sanction service, there are dzongkhags with only one focal official appointed for REDCL posing difficulties when the official is on leave/travel/training with nobody to accept loan repayments from REDCL resulting in defaulting of the loan. Monitoring and recovery tour by REDCL staff has revealed that repayment amount of RF-II gets deposited wrongly into the savings account of the client or into the RF-I account as a result of which the RF-II loan account gets defaulted.

6. WAY FORWARD

6.1 INSTALLATION AND IMPLEMENTATION OF THE NEW MFI SYSTEM

One of the major activities in 2018 would be the installation and implementation of the new MFI system being developed by the Royal Monetary Authority. With this new system, it would be very convenient and efficient to have real-time data and speedy process of loan application. It will also enable the clients to receive the loan amount and make the repayment at the REDCL office without having to go to BDBL for withdrawal and deposit.

6.2 REDUCTION OF THE NPL RATE

The office is planning to bring down the NPL rate further down to 15% from 18.7% in 2018.

7. FINANCIAL PERFORMANCE

7.1 FUND SIZE

During the year, the total size of the fund increased from Nu.146 million to Nu.235 million reflecting a tremendous growth of 60.96%. This is mainly contributed to the timely release of the RF-II fund by the Ministry of Finance and increase in RF-II loan disbursement. Some of the financial highlights are reflected as under (Attached as Annexure I);

Table 7.1 Financial Highlights

PARTICULAR	2017	2016 (01.06.16 – 31.12.16)
Fund Size	235.76 million	146 million
Revenue	4.26 million	2.2 million
Expenditure	36.16 million	7.0 million
Profit/(Loss)	(31.90 million)	(4.8 million)
% of Non-Performing Loan	18.7%	27.7%

7.2 REVENUE

Gross Revenue increased from Nu. 2.2 million to Nu. 4.26 million reflecting an increase of Nu.2.06 million or 93.64%. The increase in revenue income was mainly because of increase in the interest income which amounted to Nu. 3.63 which is the main income of REDCL (Attached as Annexure II).

7.3 EXPENDITURE

The total expenditure of REDCL increased from Nu. 7.0 million to Nu. 36.16 million in 2017 an increase of 416.57%. The increase in expenditure was mainly due to the increase of employment cost on account of 12 months payment of salary and allowances, increase of travel expenses, payment of post sanction service fees to BDBL and human capacity development costs.

However, the total savings in terms of the operating expenditure as against the Budget was Nu.6.1 million or 2041% as against the target of 5% saving from the budget. This achievement was mainly due to the strict monitoring and the implementation of various expenditure control measures put in place in alignment with the government's austerity measure.



ANNEXURE I: BALANCE SHEET AS OF 31ST DECEMBER, 2017

RURAL ENTERPRISE DEVELOPMENT CORPORATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2017

(All figures in Bhutanese Ngultrums unless otherwise stated)

PARTICULARS	NOTES	AS AT 31 ST DECEMBER, 2017	AS AT 31 ST DECEMBER, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	6,965,486	1,945,456
Other Non-current Assets	4	59,502	118,092
TOTAL NON-CURRENT ASSETS		7,024,988	2,063,548
CURRENT ASSETS			
Short-term Loan and Advances	5	141,420,801	84,048,396
Other Current Assets	6	866,244	595,751
Cash and Bank Balances	7	864,519,84	59,682,547
TOTAL CURRENT ASSETS		228,739,029	144,326,694
TOTAL ASSETS		235,764,017	146,390,241
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share Capital	8	35,000,000	15,000,000
Revolving Fund II	9	225,296,000	127,296,000
Capital Reserve	10	6,820,252	6,820,252
Retained Earnings	11	(36,705,822)	(4,806,629)
TOTAL EQUITY		230,410,430	144,309,624
NON-CURRENT LIABILITIES			
Employee Benefits Liabilities	12	506,697	155,457
TOTAL NON-CURRENT LIABILITIES		506,697	155,457
CURRENT LIABILITIES			
Trade and Other Payables	13	3,051,264	1,708,991
Other Current Liabilities	14	219,377	216,170
Employee Benefits Liabilities	15	1,576,249	-
TOTAL CURRENT LIABILITIES		4,846,890	1,925,160
TOTAL EQUITY AND LIABILITIES		235,764,017	146,390,241

The above Statement of Financial Position should be read in conjunction with the accompanying notes.
In terms of our report of even date

ANNEXURE II: INCOME AND EXPENDITURE STATEMENT AS OF 31ST DECEMBER, 2017

RURAL ENTERPRISE DEVELOPMENT CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2017

(All figures in Bhutanese Ngultrums unless otherwise stated)

PARTICULARS	NOTES	FOR THE YEAR ENDED 31ST DECEMBER 2017	FOR THE YEAR ENDED 31ST DECEMBER 2016
INCOME			
Income from Micro Financing Activities	15	3,634,880.00	2,230,145.29
Other Income	16	628,616.47	6,000.00
TOTAL INCOME		4,263,496.47	2,236,145.29
EXPENDITURE			
Operation and Maintenance Expenses	17	5,536,267.59	2,425,753.38
Employee Benefit Expenses	18	18,454,782.80	3,123,814.18
Other Expenses	19	2,702,126.34	1,289,707.42
Depreciation Expenses	3	1,239,135.17	203,498.85
Loan Impairment Expenses	20	8,230,378.20	-
TOTAL EXPENDITURE		36,162,690.10	7,042,773.82
PROFIT/(LOSS) BEFORE TAX		-31,899,193.63	-4,806,628.53
TAX EXPENSE:			
Current Tax			
PROFIT/(LOSS) AFTER TAX		-31,899,193.63	-4,806,628.53
Other Comprehensive Income			
TOTAL COMPREHENSIVE INCOME - BALANCE CARRIED OVER		-31,899,193.63	-4,806,628.53
Basic and Diluted Earnings per Share	21	-10.63	-1.60

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.
 In terms of our report of even date

REDCL'S PROJECTS ON GROUND



A labour for the love of her child

Jample Lhamo is from Nashiphel village, Chhoekhor gewog under Bumthang dzongkhag. She is a high school graduate and has been depending upon her parents until she got married. Now a mother, Jample wants to work hard to provide a good future for her child.

She is interested to produce honey in her village. She bought Bee Hives and Queen with the help of funds from REDCL and supply the raw honey to Bee Keeping Association of Bhutan (BKAB).

With the production she is expected to improve their living standard and is excited to harvest honey as the season approaches. By undertaking such project, she is happy that she will be able to provide good education to her children.

She bought 20 numbers of Beehives for the production of honey. In future she plans to increase the number of beehives in order to meet the demand in her dzongkhag.



Jample Lhamo



Bee hives



‘Whir and thump’ of handloom

Textile experts widely acknowledge Bhutanese weaving to be among the most sophisticated and time consuming in the world.

The gentle whir and thump of traditional back strap looms harmonizes with the sounds of daily life, from rushing river valleys to Himalayan foothills. It is a typical day for Sangay and her friends to listen to old Bhutanese folk songs on the radio and to sit on their handloom and start the day early into the dusk weaving.

Bhutanese women like Sangay, learn the basics of weaving from an early age. Generations of Bhutanese women continue to pass down weaving techniques through oral tradition from mother to daughter.

However, the art is still at risk of disappearing in the shadow of urbanization and importation of cheaper alternatives.

Having skill of weaving yathra is a grace that women of Chumey possess. Girls were taught with the skills and has inter generated where creative ideas such as creation of hand bag, purse, laptop bag and mattress where on the verge of evaluation. Sangay is one of many yathra weavers at Terzey, Chumey under Bumthang dzongkhag.

Sangay is Chumey's native, born to an ordinary farmer like many in Bhutan. Her mother is very skillful in weaving Yathra and father supports the family by farm works. In the majestic place of Terzey, she started to learn weaving through her mother's assistance. She observed her mother, sister and neighbor weaving with full curiosity, which inspired her to learn skills of weaving. During her vacation she was enthusiastic to learn weaving and began to weave as her mother and sister taught her the basic techniques.

Some of the products woven are sold in the market. She learns how to make different patterns on a daily basis

She studied till twelfth grade and began to earn from weaving. Her earning was sufficient to buy stationeries when she was student. After high school, she could not continue her education.

With a creative trademark, but with limited access to finance to make it big, Sangay was using her mother's old weaving materials that would give in due to wear and



Sangay

tear.

She was not able to start up a waving business due to shortage of capital. It was last year when a guest came to her house that she learned about access to finance through REDCL.

After hearing about the low interest loan scheme, she quickly checked the website for details. Her uncle helped her in processing the loan with the office.

Sangay started her business of mass weaving with Nu. 169,852 from REDCL.

As per project profile from REDCL, she is the promoter and operates the unit on a sole proprietorship. Sangay said she started her project with four weavers including

herself and that she monitors over all activities of the project.

However, for Sangay the journey to become a businesswoman has just begun. Sangay could not just dodge the competition that she had to face with many now start similar business.

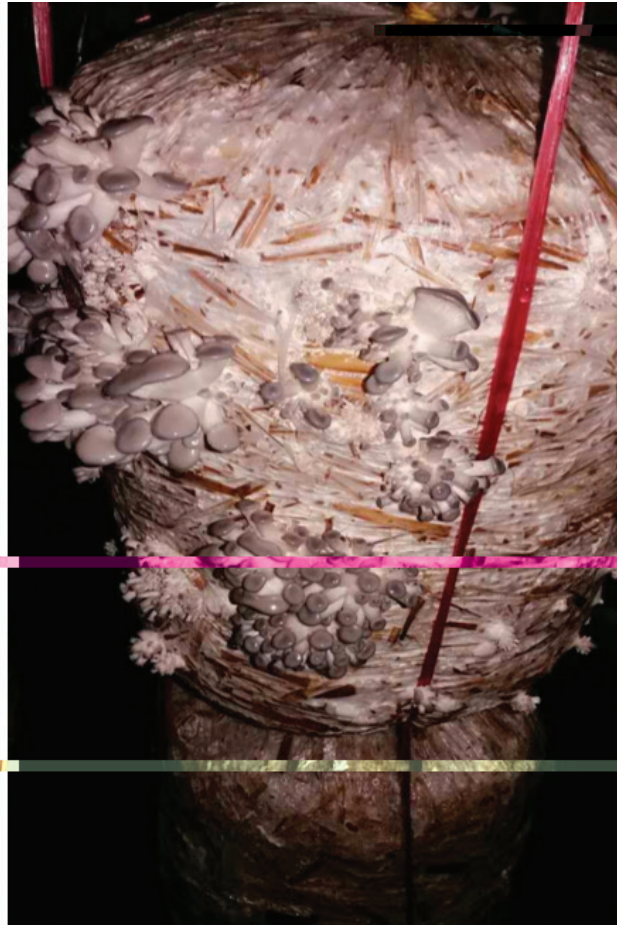
She received approved fund of Nu. 169,852 from REDCL. Correspondingly, Labour cost as remuneration is paid as per the number of rolls of yathra a weaver can weave, with current rate of Nu. 500 per roll, She said it is quite high.

She earns Nu. 11,000-15,000 per month after paying labour charges and EMI (Estimated Monthly Installment) to REDCL. She is mostly involved in marketing and is guided by her sister. She has also started to export the products to India, Phuntsholing and other parts of Bhutan and the business is running doing well, says Sangay.



Yathra products

Dewaki and her passion for growing Oyster Mushroom



Dewaki with her mushrooms

The sale of my mushroom incites the love for going organic in Bhutan, says Dewaki Chhetri, an oyster mushroom project successor.

Dewaki Chhetri, 28 years old, is from Khemed Tabthang Village, Darla gewog under Chhukha dzongkhag. She completed her high school in 2010 from Sonam Kuenphen Higher Secondary School, Bumthang. After high school, although she managed to get a job in a private company, due to her high school qualification, her salary was not sufficient. She had to look after her family and the income she was earning was barely enough to meet the ends. Her families started to depend on her where by her liabilities were increasing and

income was stagnant.

With a very heavy heart, she had to resign from the job. She had no back up plans when she returned to her village and soon she was drifting in the sea of uncertainty.

She had vague back up plans to begin back at village but things didn't work as she thought.

One Evening a guest stopped by her house for sleep over. The visitor shared an idea about starting the business and she rejected a list of business ideas since she was not confident and feared taking loan with high interest rates.

When the stranger told her about the low interest

rates with REDCL, Dewaki decided to start something of her own.

It was in 2013, she got an opportunity to attend training organized by National Mushroom Center, Thimphu. The training increased her positive vibe to start the business at a small scale with a mission to be self-employed and help her family. She then applied for the fund. She purchased all required materials from the approved loan of Nu. 94,205.00 from REDCL. She got help from her cousins and her father Deo Raj Chhetri supported her to set up the business.

Today, the business is running well and she is proud of her work and decision. She doesn't face problem in marketing since mushroom is be sold easily in her locality due to the increase in number of Druk Green Power Corporation (DGPC) residents in the area. The surplus mushroom is sold in Gedu. She harvests on an average 5 kgs of Oyster Mushroom in a day and sells it at Nu. 200 per kg in her locality. She earns Nu. 20,000-Nu 30,000 per month which is enough to help her family to repay the loan and to meet the day to day expenses.

Dewaki had sleepless nights before her mushroom started to sprout. She worried about the loan repayment. Today, she claims that if you take risk, you can have anything in life. Her project is successful and she has the plan to expand her farm to a larger scale.



Oyster mushroom

Dawa Dema and her power tiller

A bright woman with a purple kira and tego and standing in front of her power tiller is Dawa Dem, a 26-year-old. She lives in Chhukha. She is a young farmer, has virtuous skills and experiences in the field. She has been doing farming work since young age and now it's been almost 20 years. She did not attend school from her childhood days. At a young age she stood in the fields, dreaming, shoveling manure and throwing hay.

Even though her life was not occupied with stationery items, she had all the wonder in her little thing called "farm land". She is specialized in different kind of agricultural cultivation. In order to improve the production, increase efficiency and encourage large scale agricultural production, Dawa Dema planned to purchase a Yanmar Power tiller with complete set of plough, trailer and rotary tiller for ploughing, bed making and other purposes by availing loan from REDCL. Recently, she purchased a power tiller from Farm Machinery Corporation Limited, Paro from an approved amount of Nu. 418,174.00 with REDCL loan. REDCL loan for power tiller ranging from Nu. 80,000 to Nu. 5, 00,000 approximately.

By using the power tiller, it is helping her family to do agriculture farming in their 16 acres of land and making their work easier. Not only is she using power tiller for agriculture farming but she also uses it to sell her vegetables and other agricultural produce in the local market, where by it has helped her in many ways, especially in reducing the transportation cost.

Moreover, now, she desires to upscale the cultivation by using farm machinery to increase the production that generates income for their livelihoods. The greatest ad-



Dawa Dema with her power tiller

vantages are she can reduce the labor cost and is able to speed up the work while soil labeling and tilling. She also earns money by letting the power tiller on hire to farmers in her locality as there is no power tiller in her area and for that she feels gratified to have power tiller in her village.

The only poultry farm in Tseza gewog in Dagana



Proponent with birds

Bago is from Jangsagang Village, Tseza gewog under Dagana dzongkhag. Although initially he did not have the necessary skills in poultry farming, he was very keen on starting a poultry farm. Due to his interest, he received technical support from the dzongkhag livestock officer.

He knew about REDCL's fund of low interest and no requirement of mortgage and took the opportunity to start a poultry farming. His project was approved by REDCL with loan Nu. 499,908. He constructed poultry farm shed and procured 500 pullets (Layers) from Sarpang Poultry farm for the production of eggs.

Bago feels blessed and happy that his dream of establishing poultry farm is fulfilled. In the farm, he manages all the activities with his wife.

The livestock officer also helps him in technical

aspects as well as in monitoring the progress of the farm operation and management, as the poultry farm is located near the Dzongkhag livestock office.

Bago poultry farm produces 98 trays of eggs per week. The entire product is sold directly to the Daga Central School and Dagana town. He sells the eggs at the rate of Nu. 10 per egg. In order to expand his business, Bago has signed the agreement with Daga Central School to supply eggs and with the assistance from REDCL office at Dagana and Dzongkhag livestock office.

Currently, there is no other poultry farm in Tseza Gewog. Thus, Bago poultry farm is enjoying monopoly in egg production and marketing the product as there are no competitors in the village. Bago's project is one of the successful projects funded by REDCL.

Essence of a woman fueled by access to finance



As the golden sunrays curl, tumble and embrace the earth, fresh, crispy cool air breezes around her wooden house. Slowly, she steps from her bedstead to let the light touch her face.

Despite her fragile appearance and gentle expression, she knew that she was getting old with those facets of wrinkles in her face. The phone doesn't ring and the door stays close, children send far away in the boarding school. In the midst of loneliness, yet anticipating, she gazes upon the floor; her neck slightly tilted with a calm serene eye looking brightly, the floorboards cold as the pads of her feet touches it. Taking a mugful of rice and potato in the morning, with energy stored in her body, she gently opens the door to start her day with enchantment. Frosty cold winter, passed and gone. She heads towards the cow

shed to milk the cow.

At an early age she could not attend any academy. When she was infant young girl, she had to do many domestic works and farm chores, she had to stay at home to support her progenitor who were farmers. As morning came around with a greeting, Kezang start with farm works, while her friends rushed towards schools with a bag pack and tiffin on their hand.

A sense of regret she does not contemplate for not being able to attain the school rather a strong determination arose within her to work hard in order to provide for her family and to live a long content life.

As she matured, she got married to a handsome young man Chimi Rinzin from same hamlet but their marriage didn't last long. She separated from her husband and was left with two children.

She felt dejected and wretched after the divorce. She could not able to make a good living at all and provide for her children. Her eyes would typically burst into tears as the tears would roll down spontaneously on the cheek of her dark imperfect complexion, hiding it from the children. Many a times she encountered several personal problems and financially she was deprived but as time went by she mustered up with the thought of her two children and began a new journey.

"I have always been an optimistic person. I believe whatever happens in one's life happens because of previous karma and I always look forward to the future, not to the past. I know I will not be able to help my children like I did before my divorce. I know I'll have to work harder but I know I can do it.", said kelzang.

When Kelzang was attending the public meeting with the Dzongda at Gyenkana primary school, she was introduced about REDCL (Rural Enterprise Development Corporation Limited) fund. It was when she was facing personal and financial problems that she heard of REDCL.

The public was briefed about the procedures and also was informed about who and where to contact if anyone were interested. She was propitious to hear about the REDCL loan schemes. The low interest rate and no mortgage scheme was what she found most attractive. In the beginning, she had several skeptic minds about how she would be able to pay back the loan. She pondered a lot and then finally decided to avail the loan. She believed with hard work, she would be able to put the money into good use and be able to pay her dues. With the loan availed, it was a turning point in her life, it was a new beginning for her. It was indeed a blessing in disguise.

After the loan was approved, she was able to build a cow shed with the help of the loan money. She also invested money which she had saved from selling the little vegetables that she grew in her farm. She then purchased the jersey cows from the money which was released from the loan. She considers dairy farm will be able to generate a monthly income unlike other agricultural work which is only seasonal. She was able to immediately start the production of the butter and cheese and supply the product at the Haa market and generate income with the knowledge she has been gifted with.

Life was not always kind to Kelzang, even after stepping up the dairy farm. It has had its own challenges. She found it very difficult to sell the product to the nearest



town. Almost a decade after the village was connected with feeder road, the road is still in very bad condition. Only vehicles like the bolero, hilux and other big vehicles could commute easily, yet for kezang after her divorce nothing seemed too challenging.

Infact she became stronger with the dairy farm keeping her occupied and plans ahead to expand her dairy farm. She also wants to suggest the formation of cooperatives in her village which will help out the villagers who are not able to sell their dairy products and improve the quality of lives.

Although her life was filled with trauma and turmoil, as the color of the day rest and dusk breaks in, loneliness and night add beauty to her life again. Bringing a slight illumination where she gets to drive herself into silence, to tell herself it's time to be silent and tranquil, reminding the body, mind and spirit that they did well for now as she lie down and rest on the wooden bed allowing body and mind to be one with the silent night. Pulling the warm blanket, covering all her body except the face. Lying down on the bed, her beautiful eyes like a black hole catches the glimpse of the blank ceiling and starts to stare upon it, engrossed her thoughts on her precious children. Slowly, her eyelids touching each other and her sense becoming dormant, she wrapped in profound sleep to welcome a blissful dream to arise.

Mass Shitake Mushroom production in Lhuntse



Ugyen Dorji

A farmer from Lhuntse moves from traditional farming and becomes a major supplier of Shitake mushroom to Bumthang dzogkhag. Ugyen Dorji, 22 years old from Wangshing village, Minjey gewog in Lhuentse dzongkhag completed class XII in year 2016 from Sonam Khuenphen Higher Secondary School, Bumthang. Being the only child from the family, he always wanted to do something in life and support his family, as his parents could not afford to fund him for further studies. So, after completing class 12 he decided to stay with parents back in village rather than looking.

He got inspired to set up his own business (Shitake Mushroom) production, when he received technical support and an advice from the Program Director of

Wengkhaz and Dzongkhag Agriculture office on mushroom farming (Shitake Mushroom).

He availed loan amount of Nu. 438,763.00 from REDCL to start up a Shitake mushroom cultivation at his own resident. The promoter manages the project by himself and his family members help him. The project started with 1,000 billets in 0.16 acres of Land owned by Mrs. Tshering Lhamo, the proponent's mother.

During the cultivation he had hires around 10 numbers of laborers. He has plenty of knowledge and experience in cultivating the shitake mushroom. He mentioned that he would also refer the guidelines provided by the Authorized Institutions.

Shitake mushroom is not only popular for its simple production but also it is very beneficial to the health

according to the researchers. Therefore, it has high demand both within and across the country.

He sells his mushrooms to the hotels and restaurants of Bumthang, Mongar and Lhuentse region. Ugyen said his main clients are the resorts owners in

Bumthang. They place huge orders for his home grown mushrooms. He sells his shitake mushroom at Nu. 500 per kg. In two months Ugyen produces about 50 kg of Shitake.



Sonam Pelzom's Kishuthara



Having skill of weaving Kishuthara is a grace that women of Lhuentse possess. It was learned during the FDG that almost all the women are skilled in weaving intricately designed Kishuthara and other gho, kira, rachus and etc. Weaving and sale of its products Accounts for as high as 55% of the total income. The Women of Khoma, Minje and Tsenkhar gewog are endowed with unique skills for weaving Kishuthara distinct from the kishuthara woven by other women in Bhutan. A claim is made that cloths woven by other women commands a lower price in the market compared to cloths woven by women of lhuentse dzongkhag especially Khoma, Minje and Tsenkhar gewog. However, due to shortage of labor and financial problem, weaving productivity has not been

harnessed to its full potential. Mrs. Sonam Pelzom is one of many weavers at Phawan, Tsenkhar under Lhuentse dzongkhag.

In the majestic place of Khoma she started to learn weaving through her mother's assistance. She saw her mother, sister and neighbor weaving with full curiosity which stimulated her to learn skills of weaving. During her vacation she began to weave and use as home product. As she began to practice different patterns daily the working life has become more of like an artist forming live products rather than mind-numbing one.

She studied till Tenth grade where she began to earn crosswise from weaving. Her earning was sufficient to buy stationeries. After high school her marks were not up to required criteria where her skill played vital role



in shaping her future. She has been using her mother's weaving material which required reparation. Although she had creative mind she was not able to start due to shortage of capital.

Now she is mostly involved in marketing her works guided by her sister. She has started to export the product to India, Phuntsholing and other places of Bhutan. She

is earning in satisfactory manner and able to refund the loan. She has purchased all required materials such as yarn to carry on her works from the approved loan of Nu. 219,661 from REDCL and running the project successfully. Likewise, many women have been empowered from such projects.

Sherab Choden with Tengma machine

Sherab Choden, a high school graduate, is one of the REDCL beneficiaries residing at Saling Gewog under Mongar dzongkhag. She couldn't continue her further studies as her family was not in position to bear the expenses. Her Parents are farmers.

Maize is the principal cereal crop grown in her gewog. It is used as dry land crop where it does not require irrigation. In the first half year maize is cultivated as a spring crop mainly as pre-rice in fallow paddy fields. Wet land is used for growing maize and for second half year paddy is cultivated. The climatic conditions and soil fertility supports the production of maize on a commercial scale at Saling Gewog especially in Thridangbi village.

Having dealt with agricultural works from very young age and maize grown three times in a year, almost 80% of the maize are processed into Tengma/Seap (Bhutanese roasted and pounded maize). she shared her dreams and plans of procuring a Tengma (corn flakes) machine and to uptake such businesses with her family during her schooling time but was not in position to do as she was young.

But her dream was not shattered until when she heard about the loan which can be lend at the interest rate of 4% without any mortgage in a fairat Mongar. She said, 'inaccessibility to finance and no financial literacy (with lower interest rate) was one of the main hurdles that me and my family confronted.'

Access to finance has large potential in promoting entrepreneurship offering special facilities for promotion of businesses and enterprises.

Sherab learned about the existence of REDCL erst-while BOiC for the first time ever during the Fair Carnival for Six Eastern Dzongkhags (5th-9th February 2017) at Gyalpoizhing, Mongar commemorating the First Birth Anniversary of His Royal Highness Mewang Gyalsey Jigme Namgyel Wangchuck organized by Office of the Gyaltshab, Gyalpoizhing.

The regional offices and other agencies displayed their products and services to thousands of attendees and one of them was Sherab. After attending the fair she thought it was the appropriate time to avail the loan. The very



Sherab Choden with procured Tengma machine through availing loan from REDCL

next day she availed loan from REDCL and procured corn flakes (Tengma/Beaten maize) machine and ventured into Tengma production business and the outcome was a success.

She said REDCL helped her to set up her business with financial support at minimal interest rate and no collaterals.

Mongar dzongkhag has many regional offices, civil servants, and people living than any other eastern dzongkhag. There is an increasing demand for Tengma/Seaps, which is good for Sherab. Apart from people living there, commuters plying via Saling to other Districts also plays



Images of pre-works getting done before receiving readymade packaged Tengma with support family members and nearby people



Few marketing spots for locally pounded Tengma for Ms. Sherab Choden

an important factor to have more consumers.

Currently, most of the product (Tengma) produced in Mongar District is of similar taste (simple packaged beaten maize). Sherab said, she would like to expand and improve the quality of production after exploring different

flavors.

“Undertaking such project, I am happy to share that now I am in position to support my parents and relatives in my own little ways,” said Sherab.

Dairy farm- Drakpa Wangdi



Proponent in front of his cowshed



Proponent with his wife

Drakpa Wangdi availed loan from REDCL to establish a dairy farm. He is a retired army personnel and a father of nine children. After his retirement, along with his family, he came back to village and started farming activities to support his family. All the children are grown up except for some and live with him in the village.

Drakpa said the dairy farm is an independent source of earning for him and his wife. He said they do not depend on their children who live in cities and have family of their own to look after.

He availed REDCL loan to start a dairy farm and is owner of two jersey cows. He sells milk and earns min-

imum of Nu. 7000 per month. He is also the member of Bartseri milk corporative.

Bartseri Milk Cooperative is the first dairy group started by dzongkhag livestock and they supply milk to Pemagatshel market and to civil servants based on order.

Every day he contributes maximum of 10 liters of milk to group and the group supplies it to the consumers.

With the income generated from the sale of milk, his living standard has improved and he said that, he does not have to fully depend on his children for money. He is happy that he is able to live a self-sufficient life at the age of 66 with his wife.

A mother becomes an entrepreneur



Ash Kumari Rai in her farm

Ash Kumari Rai of Gairigaon (Madgang) under Norbugang gewog, aged 41 years old is an uneducated farmer, a wife and a mother. She has never considered these attributes as her shortcoming, to become an enterprising farmer with methodical approach to start a poultry farming which is financed by REDCL.

Before availing loan from REDCL to start a commercial poultry broiler farm, she had to learn the tricks of trade

by rearing small numbers of chicks. Under guidance of DoL (Department of Livestock) broiler farming is a new activity that many are opting for in the southern belts of the country.

After learning the skills and gaining marketing confidence with the meat vendors, she had rolled up her sleeve to raise more numbers of birds after availing financing from REDCL. With the loan, she started with 550 Day Old Chick. The income earned helps her to cover household,

as well as her children's education expenses.

The profit she earns from production and sale has enabled her to be more enterprising, such that she ploughed back her profit by constructing another shed to accommodate additional 300 more chickens to her chicken coop. She also bought a de-feathering machine which she lends it to other farmers on hire charge. Today she operates the farm with 800 to 900 birds in a cyclical batch.

Ash Kumari Rai has been managing the poultry farm according to Livestock standard by constructing a durable shed facilitated with right numbers of poultry equipment (like feeder drinker, brooder), maintaining good sanitation and timely medicating the chicks.

She also expressed that broiler farming is a profitable venture and if the meat suppliers are able to take her stock after 45 to 50 days (the time required for Day Old Chicks to grow), she is able to generate a net profit of Nu. 50,000 to Nu. 70,000. The only challenge the broiler farmers face right now is that some meat suppliers arrive a late by one week and until that day, managing feed for the ready stock is a challenge.

There is no restriction for new entrants for competition in broiler farming business in the village. There are many broiler farmers in the geowog and do not see among themselves as competitors as yet. This is because they operate in a cordial manner to sell sufficiently to the meat suppliers, as the suppliers only buy huge stocks in a go with minimum of 1000 numbers. So, the farmers unite together to supply in the quantity as required by the



De-feathering machine

suppliers.

The broiler farmers are always careful of bird flu, which is unpredictable and are cautious of avoiding it with the help of the DLQs.

So far, Ash Kumari Rai has not incurred loss. She said that the interest rate provided at 4% by REDCL is a very good scheme offered to the public as people like her who wants to do something in order to support their livelihood and children's education are benefited immensely. This is her first time taking a loan with a clear intent to make her small project work and is now confident to seek additional loan in the future.

Dorji's niche market in the community



Dorji Layda's dairy farming

Dorji Layda is a farmer residing in Barshong village, Sherzhong gewog under Sarpang dzongkhag. He is a married man and have 3 sons. One of them is doing training in India, other in CST (College of Science and Technology) pursuing civil engineering course. And the youngest son recently completed 12th standard and is currently at home and helping him in his dairy farm.

His wife stays at home by doing household works. She also weaves Kira and Gho to earn an income for herself. Dorji has an experience of raising local breed cows. Prior to taking up farming as his career he also worked as tshogpa for 4 years from 2002-2005.

One day while watching BBS he came to know about the REDCL. Then he personally visited the Gelephu Office to learn more about the funding scheme, rules and regulations. After which he immediately applied for fund from

REDCL to start dairy farm.

He availed total funding of Nu. 262,547. With the fund he has constructed cow shed with proper concrete flooring and provision of feeders/waterers and sheet roofing which is sufficient to protect animals from rain and strong wind.

Since supplements like hay and silage are required, Dorji has also constructed small hut to make the supplements for the animals. Out of 3 only 2 jerseys are being used for milking which provides 7-8 litters of milk per day after leaving enough milk for the calves. He produces 7-8 cheese ball per day and around 3 kgs of butter in a week. He is able to generate income of Nu.11,550 per month, which is enough to pay off his EMI that is Nu.5148 per month.

Dorji said he faces some difficulties and challenges such as fencing problems for his pastureland and cutting

grasses. So, he wishes to fence his pastureland and buy grass cutter in future to help ease his workload. He also said it is difficult to supply the milk products in the market as he does not have his own private vehicle to transport the product to the potential customers. Howev-

er, such hurdles to find his own niche market in the local community do not stop him. He is content at the moment that he is able to sell all his cheese and butter within his community and the schools in the locality.



School dropout takes up poultry farming



Nimesh Dhital aged 23 who completed class twelve from Sarpang Central School in the year 2016 decided to stay back home in Dekiling, Sarpang and help his parents in village. He is the eldest child. He has taken Agriculture as an optional subject during his school time and also poultry training in Zhemgang.

Worked in the fields with his friends, neighbor and family.

He came to know about the REDCL's funding scheme through the local leaders and elders. The idea of establishing the poultry farm immediately came to his mind and approached the office.

At young age he had been always helping his father in his farm, so after knowing about REDCL fund, he planned and decided to have his own farm. He approached REDCL and was funded with Nu. 500,000.

He purchased DOCs (Day Old Chicks) that were two and half months old. Nimesh is sure that after one and half month his birds will start laying eggs and he will be

starting to earning income.

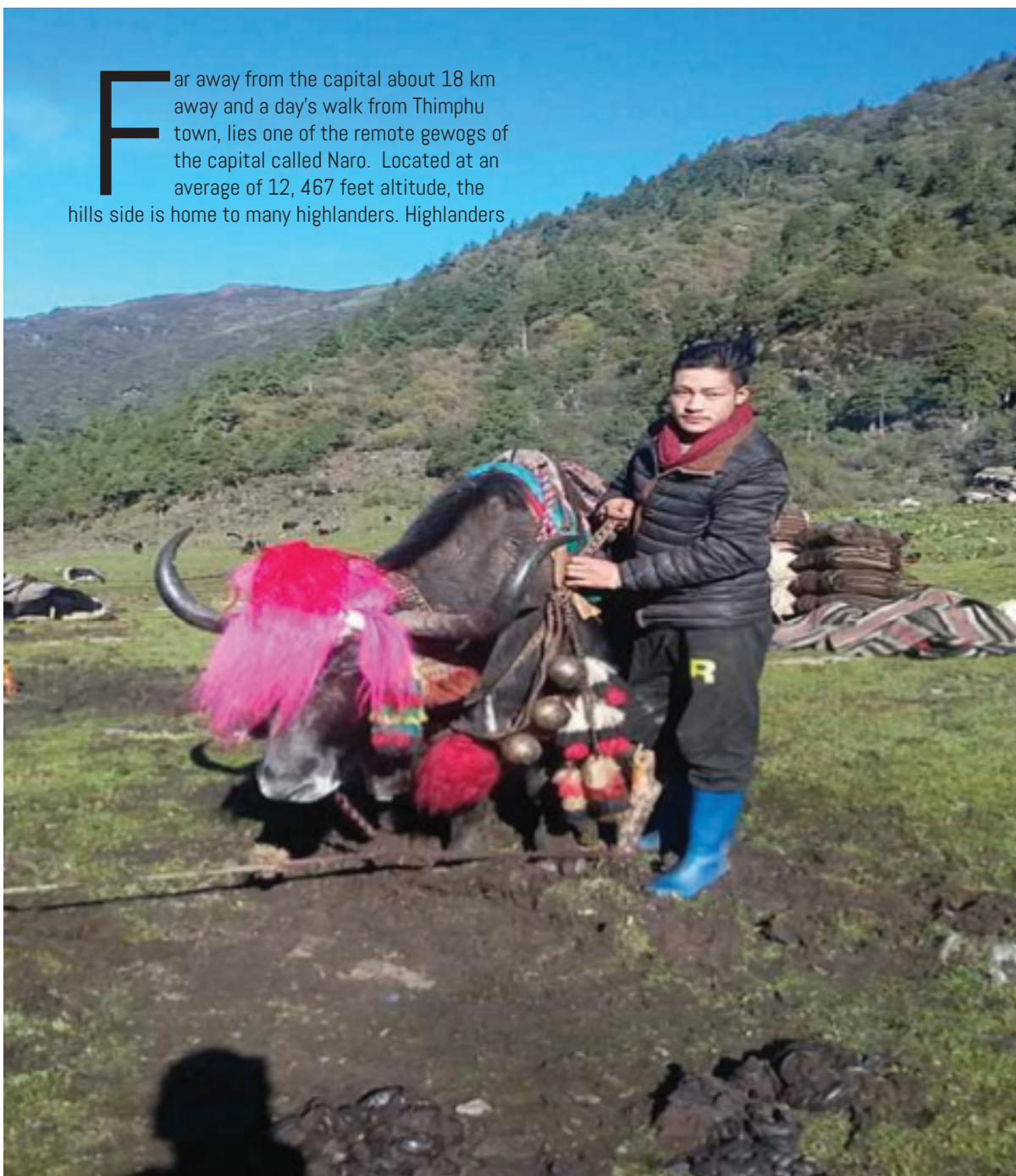
When asked him about the challenges he faced or might face in coming times, he said that the market fluctuation regarding egg price is one of the biggest problem. He said sometimes the quality of the feed is another problem as it is not always good which affects the production.

He also pointed out that the Gewog Livestock officers always provided with all the necessary assistance and support in providing medicine, vaccine and even with timely checkups they face any problem related to disease in the farms.

Nimesh is one of the young entrepreneurs that is taking poultry farming to next level with properly constructed sheds in the gewog.

REDCL in the highlands

Far away from the capital about 18 km away and a day's walk from Thimphu town, lies one of the remote gewogs of the capital called Naro. Located at an average of 12,467 feet altitude, the hills side is home to many highlanders. Highlanders



are dependent on yak and other domestic animals.

Nidup is one of the highlanders living there. He is a descendent of nomadic yak herder. He holds one of the largest herds in the valley. He is skilled and has a good knowledge of habitats and wildlife in the valley. Many of his friends and cousins have abandon nomadic life in search of better opportunities, but for Nidup, he did not want to leave his family and the place he grew up in.

He gave priority to raising male yak, as it was profitable to use as a means of transportation until now. However, now Nidup has realized that producing dry cheese and butter would be more profitable than herding of male yak.

He was aware that products of yak are disappearing and demand for such products are high in the market. So, to grab the opportunity, he availed a loan from REDCL to purchase 20 numbers of female yaks in order to produce butter, cheese and yak milk. With 20 numbers of female yaks, he has been producing 20 liters of milk per day. From yak's milk, he produces dry cheese and butter to sell in the market.

Nidup finds it very difficult to protect his cattle from leopard and tiger as they fall prey to them. He wishes if the gewog is provided with grid electricity in the future by the government. As of now the villagers in his gewog use solar power. He hopes that the grid power will enable him to provide some safety to his herd. The village is also not connected with roads. Nidup sells his product once in every six month in the vegetable market in Thimphu city. He brings horses to carry his luggage and product. After reaching Thimphu his products get sold at a short period of time because the local consumers have a high demand



for such products. He makes a profit amounting to Nu. 70,000 to Nu. 1,00,000 approximately during summer and in winter a little lower due to less milk production from yak. After his successful trade, he buys equipment, accessories and gears that are necessary in the mountains.

Nidup feels he is preserving the diminishing culture and tradition of his village and is proud to be a yak header while selling products that are in demand in the market. He hopes to own the largest yak herd in his village in the near future.

Commercial vegetable farming in Bidung



Tshering Phuntsho

Tshering Phuntsho lives with his family in Bargonpa village under Bidung gewog in Trashigang dzongkhag.

Tshering participated in an agriculture program provided by the dzongkhag in his village for vegetable farming. During the training the farmers were taught about new agricultural techniques to help them increase crop yields.

Tshering was surprised to learn that chemical fertilizers and pesticides that many farmers were using could damage the land and make it even more difficult to produce healthy crops. He also learned about environment

friendly agriculture practices, such as composting, seeds preservation and use of organic pesticides. By using organic fertilizer instead of chemical fertilizers, he could increase the fertility of the soil. He realized the difference it would make for his family if he could grow his own vegetables.

He borrowed Nu. 100,000 for the cultivation of potatoes in an acre of land and successfully cultivated potatoes in his field. After harvesting the potatoes, he sold his first potatoes to Samdrup Jongkhar auction yard fetching him more than Nu. 1,25000. After harvesting potatoes, he uses the same land for cultivation of other



vegetables like garlic, peas, radish and chilies. He keeps a few for self-consumption and rest he sells to Trashigang residents making an income of Nu. 60,000 in a year.

After enhancement of non-formal rural activities fund, he applied for additional fund to opt for commercial cultivation of vegetable such as garlic, peas, radish, and chilies where he can supply organic vegetables products to the market.

Although working in field provided enough income to make a good livelihood. As per Tshering it is very difficult to do agriculture work because of labor shortage during the time of plantation and harvesting. He said wild life

and shortage water supply are other challenges he face.

After taking the additional loan, he plans to procure a power tiller to overcome labour shortage and also to minimize labour charges. He pays Nu. 500 per head for a day to the labour he hires from the locality.

To overcome crop damages by wildlife, he plans to use electric fencing around his land. And in order to have adequate water supply to vegetables during winter he is also planning to construct a small water tank. Tshering continues to be one of the major vegetable producers in the gewog.

Milk production crossing boundaries



Entrepreneurship is a roller coaster ride, it has its ups and downs. What keeps an Entrepreneur moving through this exciting yet tiring ride is inspiration that can be drawn from simple things in life. In order to be a commercial magnate in future we should start from the minor beginning.

Dairy farming is a type of activities that is focused on producing milk which can be used to produce dairy products, such as cheese and butter. It is the fundamental revenue generation of an individual farmers residing under Samdrup Jongkhar dzongkhag.

The farmer grows vegetables at a smaller quantity for hand to mouth purpose since there is less market

opportunity to sell vegetable product as it is located near border area were most of the consumers frequently imports from India. Therefore, they lack the interest of cultivating vegetables and opt for raising jersey cow.

There are total number of 76 clients in Samdrup Jongkhar dzongkhag who availed loan from REDCL and out of which 73 clients have taken loan for dairy farming.

The cattle (Jersey cow) are sourced from west Bengal, India with the support from Livestock Sector under Samdrup Jongkhar dzongkhag Administration. Jersey cow can adopt to extreme temperature but the docile creature is more vulnerable to suffer from 'milk fever' due to that they are closely looked after by the owner. Taking care of the animals is the first priority a farmer gives and



farmers devote special attention to their cow's health and well-being.

In Samdrup Jongkhar, there are around 16 dairy cooperatives in its 11 gewogs.

Producing milk is not a problem faced by farmers in Samdrup Jongkhar but selling the produce is. There are less number of milk consumers in Samdrup Dzongkhar because of which farmers of the dzongkhag to export milk to Assam, India thus fulfilling the mandates of REDCL to enhance export and substitute import.

The credit of the successful project goes to the support of many individual who were always prepared to render their services to the dairy farmers.

The Dzongkhag Livestock Officer and their team have always provided their support to the people as well as to REDCL. They are the core foundation for the accomplishment of many successful dairy-farming projects especially in Samdrup Jongkhar.

The farmers expressed their gratitude to REDCL for providing loan and uplifting the rural entrepreneurs.



Poultry farming gains momentum in Trashiyangtse



Tshewang Gyeltshen, a 25-year-old youth from Kencholing village, Khamdang gewog under Trashiyangtse dzongkhag completed class XII in the year 2013 from Bayling Higher Secondary School, Trashiyangtse. He is the eldest among his siblings.

He got a loan amounting to Nu. 90,085 from REDCL to start his own poultry farm in his village with total land size of 15 decimals and had 200 hens in the beginning to start his business.

His wife and brother help him in the farm. He earns a net profit of about Nu.1,30000 annually from his production excluding the yearly expenses and EMI (Estimated Monthly Installment) to REDCL.

In future he plans to expand the poultry farming as he sees the Kholongchu hydropower project as a new opportunity that will bring in more customers for him. He hopes to export his eggs to the nearby neighboring countries in future.

In the meantime, he said not all is well, as he has to face the society who sometimes shames him of what he does. Apparently some people in his locality consider poultry farming as a religious misconduct. He also said the cost of the poultry feeds are expensive.

As of December 2017, REDCL have approved a total of 136 poultry farm project to the rural entrepreneur including Tshewang under the Khamdang gewog in Trashiyangtse dzongkhag.

Piggery fattening farm in Tsirang



Karma Gyeltshen

Karma Gyeltshen Sherpa studied till tenth grade and is a farmer living in Rangthaling in Tsirang. He used to raise 2-3 fattener with the net income of Nu. 18,000 to Nu. 35000 in a cycle. Prior to taking up farming as his career he also worked in Municipal Corporation in Mongar.

In 2016, Karma participated in a pig production training organized by RDTC (Rural Development Training Center) in Zhemgang. The three-week long training equipped him with necessary skills in pig farming practice.

He came to know about REDCL's services from a staff working in Municipal Corporation. And immediately applied for fund from the office to establish a piggery farm.

He also encouraged his neighbors and friends to avail the services of REDCL and invest in rural businesses as he profited from the business he set up.

Karma has his own theory on business in his locality. He compares piggery-fattening business with cardamom cultivation. He said, 'higher the number of fatteners,



higher the income, so whether you cultivate cardamom or raise pigs, the income is same, and raising livestock is more beneficial for the people with less land.'



He estimates an income of Nu. 5,50,000 when the pigs mature. He also has plans to add more numbers of pigs in the next cycle. He availed funding of Nu.3,64,749 from REDCL and he wishes to avail the fund again in the near future in order extend his farm to 60 numbers of fatteners.

When asked about the difficulties, he said, water shortage as the core problem. He worries that there may

be water shortage problem in the future, when he extends his farm.

Karma said despite the religious disapproval and hindrance from the society, so far no one has complained to him personally. He said people are happy, as they do not have to depend on imported pork during the occasions where they require large quantity of meat.

Out to set an example

Dorji Wangmo completed class twelve in 2016 decided to stay back home in Gosarling, Tsirang and help her old parents and look after them. They depend on livestock for their daily income.

She always thought about raising Jersey cows instead of the local cows that they were already raising. She wanted to be more engaged in something productive instead of doing the same work that everyone in the rural area did.

In 2017, Dorji participated in a Basic Entrepreneurship Course conducted by Bhutan Innovation and Technology Centre, Thimphu Tech Park with the support from entrepreneurship Division, MoLHR. It is during this training that she got introduced to various funding agencies that support the start-up business.

The courses made her grasp some of the most key information needed for a startup business. She was self-confident to initiate a business. The scheme of REDCL caught her eyes as the interest rate was low and it was a mortgage free loan. So, she decided to choose REDCL as the funding source.

At the beginning she was not confident to avail the huge amount of loan during the initial stage as she have never availed loan before. Thus, she decided avail the funding for 2 number of jersey cows which amounted to Nu. 207,736 and was adequate enough to establish a dairy farm with 2 jersey cows.

Dorji Wangmo has successfully established a dairy farm with the funding support from REDCL and she has plans to buy the farm machineries by selling dairy products.

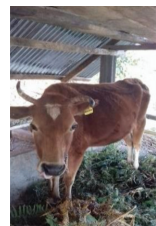
She is optimistic that her venture into the rural business will be an example for the other youths who are currently unemployed.

Words of wisdom

"It's better to do something than to be a burden to



Dorji Wangmo



someone, that's why I stayed back home and started a small farm instead of searching for a job in this competitive time. I know, a day will come when youth will be competing for starting a business in the village instead of finding a job, so I'm taking this opportunity early to dominate the rural market when others are busy searching for jobs. I am not sure whether I will be successful or not but I won't regret my choice as I'm happy here helping my parents"

Phub enjoys the monopoly of his poultry farm



Phub dorji is a 48-year-old man from Samtengang village, Nyisho gewog under wangdue dzongkhag. He has been farming with his family in a leased land. His family depends on the leased land to make a living in Kurtoe in Lhuntse.

When the sensitization team from REDCL came to sensitize on the services of REDCL, Phub took it as an opportunity and planned to support his family through this lending. He decided to start a poultry farm, first of its kind in the gewog. Since he did not own any land he talked to his brother and leased the land to start with.

He has availed a loan amount of Nu. 498,684 to start his own layer Poultry farming with 505 numbers. However, as of now the number has increased to 1,000 and above, whereby he makes a profit of around Nu.35, 000 per month.



Phub now employs his family members and some people in the village to help him with the farm. He said he has the scope to enhance the farm just now, as he is the only poultry farmer in the gewog. He is happy that he is able to make a comfortable living and able to employ some people in the gewog.

Sonam Dendup- Power Tiller

A 35-year-old farmer Sonam Dendup, from Lamto village in Bjena gewog under Wangdue Dzongkhag has been doing farming works since young age. Belonging to a poor family, he didn't receive any education as a result of which he had to work in the farms to generate income for his family. With the rise in number of farmers he felt that it has become much competitive to earn a living doing the same agriculture work manually. Sonam Dendup then planned of purchasing a power tiller by availing loan from

REDCL. He thought it would not only ease his farming job but he can also provide it on hire to other people of his village which will help him in both work load reduction and profit generation. Soon after his loan approval Nu. 2,26,842.00, he did planning in such a manner that he could make use of the power tiller on a regular basis by using it in doing farming on his own land and giving it on hire to others. Looking at his timely earnings, Sonam Dendup would be in a position to repay the loan within the payable period or before.



Rinchen's ginger hits Zhemgang market



Rinchen Yangzom, a young woman from Lamtang Village under Goshing Gewog in Zhemgang Dzongkhag prepares to cultivate ginger. Ploughing and turning the upper layer of the soil, bringing fresh nutrients to the surface, while burying weeds and the remains of previous crops and allowing them to break down. Her friend provides a helping hand in turning the ground for plantation.

A devoted and affectionate husband agreed with her to take a loan from REDCL to start up a ginger business in the village. After taking loan from REDCL, her motive was clear to grow ginger and sell it in the market.

As the summer crept across the housing estate igniting the weeds and grasses that grew in the pavement, the clouds which struggled to withstand the burden of the weight which the rain held, soon gave in, the rain poured down over her field with a roar. She ran across the slippery path, her clothes soaked with water just to witness the wonderful miracle.

Six months passed from the day of plantation of ginger, the fields were no longer swathes of rutted mud;

each one was softly verdant, warm weather and the new stems ruffled by the light breeze. Ginger, the versatile, flavorful and healthful rhizome with beautiful, exotic foliage were grown all over the field ready to be harvested. Nice and deep underneath the rhizome plump, Rinchen and her friends dig prudently without damaging the rhizome with the help of agricultural tools, getting under the plant, turning over and shaking the soil loose. Selecting a few nice ones with good growing bud for replanting and the rest either to be stored or to be sold in the market. Her hard work has finally being rewarded with bountiful produce.

She earns an average of Nu. 10,000 in a month by selling in the dzongkhag's market.

A typical day for Rinchen after selling her produce ends as the light fades away from the sky, giving way to the velvety dark of night, dusk and shadows falling on the ground. Rinchen's energy has reached its peak from the long day trades in the market and head backs home with a handful of groceries and satisfied smile from the day's work.

Kinley Wangmo- Poultry farming

Sirigang village under Kabisa in Punakha had no poultry farm until Kinley Wangmo decided to come up with one. In the village, there was always a shortage of eggs to which she decided to open a poultry farm last year.

"As of now there is no competitor from the village and I am able to sell the eggs within a day fetching me an

average of Nu 500 per day from the business," she said. Apart from poultry farm she is also doing dairy farming to earn income. She started with only 16 Pullets and today Kinley Wangmo has 66 Pullets. She is expecting to earn around Nu 1,200 per day once the pullets start to lay eggs.



A hobby turns into a business

Kencho Pem is a drop out and learned weaving as a hobby after leaving school. A divorcee and a mother of three, she turned her hobby into a means earning for her livelihood from her weaving.

She was aware that during Tsechus and other important national events there is high demand for locally woven cloths.

It is difficult for her to sell the woven cloths during off seasons as there is few demand or sometimes no demand at all. To tackle this problem during off seasons she is weaving the cloths on pre-order basis.

She has a sister who is also a school dropout and is unemployed. Seeing opportunities of earning through weaving, at the moment she has started to teach her sister to weave as well. Kencho is able to earn around Nu.13,500 Monthly through weaving, which helps her to meet the daily expenses.





MAY
2016

REDCL was
Established

4%

REDCL'S
interest rate

20

REDCL branches in
all dzongkhags

38%

Loan applications
approved

REPORT ON CHHUKHA

Rural Enterprise Development Corporation Limited (REDCL) was established in 21st May, 2016 as a State Owned Enterprise. REDCL is responsible for promotion and development of cottage and small industries and non-formal rural activities. The office is entrusted with the mandate of the erstwhile BOiC to carry out the services of the access to Revolving Fund II (RF II).

The main objective of REDCL is to provide Fund for the non-formal rural activities on a low interest rate of 4% per annum and without any collateral requirement in order to stimulate economic activities and add value to the domestic resources and create employment opportunities. Thus, helping to boost overall production of rural communities, support rural entrepreneur and improve the living standard.

In order to make the services available to all Dzongkhag, REDCL has opened its branches in all twenty Dzongkhag in the beginning of 2017. Each of these branch offices is looked after by the Fund Councilors. In Chhukha Dzongkhag the office is based under the Dzongkhag administration.

According to the report as of 31st October, 2017 the office has received total application of 299. Out of which 115 of the project got approved.

GEWOG	Bjagchhog	Bongo	Chapcha	Darla	Dungna
APPROVED PROJECT	43	19	24	5	3
FDO COMPLETE	37	17	20	3	2
DOCUMENTATION PENDING	6	2	4	2	1
FUND DISBURSED	3,324,184.00	1,778,144.60	1,915,644.00	260,624.00	237,642.00
GEWOG	Geling	Getena	Phuntsholing	Sampheling	Total
APPROVED PROJECT	1	4	4	12	115
FDO COMPLETE	0	1	0	6	90
DOCUMENTATION PENDING	1	3	0	6	25
FUND DISBURSED	-	99,773.00	396,212.00	506,52640	8,518,750.00

GEWOGS	SECTOR DETAILS						GRAND TOTAL
	LIVESTOCK (NOS.)		AGRICULTURE (NOS.)			OTHERS	
	Dairy	Poultry	Vegetable Production	Mushroom Production	Production of fruits	Power tiller, Fencing, Manufacturing	
Bjagchhog	2	5	33			3	43
Bongo	1				18		19
Chapcha			22	1		1	24
Darla		1	1	1	2		5
Dungna	1		1		1		3
Geling						1	1
Getana			1		3		4
Lokchina							0
Metakha							0
Phuntsholing			2		2		4
Sampheling	11				1		12
TOTAL	15	6	60	2	27	4	115

So far REDCL has disbursed more than Ngultrum eight million for ninety projects in Chukha Dzongkhag. People in the Dzongkhag availed the maximum Fund for vegetable production followed by fruits and poultry. Bjagchhog Gewog under the Dzongkhag has the highest number of REDCL clients. REDCL's services have reached the nine Gewogs out of the eleven Gewogs under the Dzongkhag.

REDCL under Chukha Dzongkhag has achieved more than the target set to have forty projects on ground in a year with the projects with Fund disbursed for ninety projects as of October 2017. And REDCL under Chukha Dzongkhag will further aim higher to make access to finance readily available to all those who are interested to start up business in Manufacturing and Production up to the fund size of Nu. 500,000/-.



MONITORING REPORT OF 8 GEWOGS IN PARO DZONGKHAG

The monitoring was started from Naja Gewog and ended in Doshari gewog on 13th of September, 2017. It was found that most of the clients were doing very well and earning huge amount of money from it. From the inspected projects, it was found that most of the projects were dairy farming and agriculture farming. The clients are managing their projects in the most efficient manner and putting in their full effort in sustaining their business especially dairy projects.

With regard to some of the dairy projects, many of the jersey cows had died and even the clients were doing other business and paying the monthly EMI. Some even bought new jerseys in replacement of old jerseys in order to recover their loss and to pay repayment on time.



NAJA GEWOG

Name: Tashi Namgay

Village: Wanakha

Activity: Vegetable Cultivation

Distance away from

Gewog Administration/Highway: 4.4 KMS



Name: Wangchuk Dem

Village: Jangsa

Activity: Dairy Farming

Distance from Gewog

Administration/Highway: 2 KMS



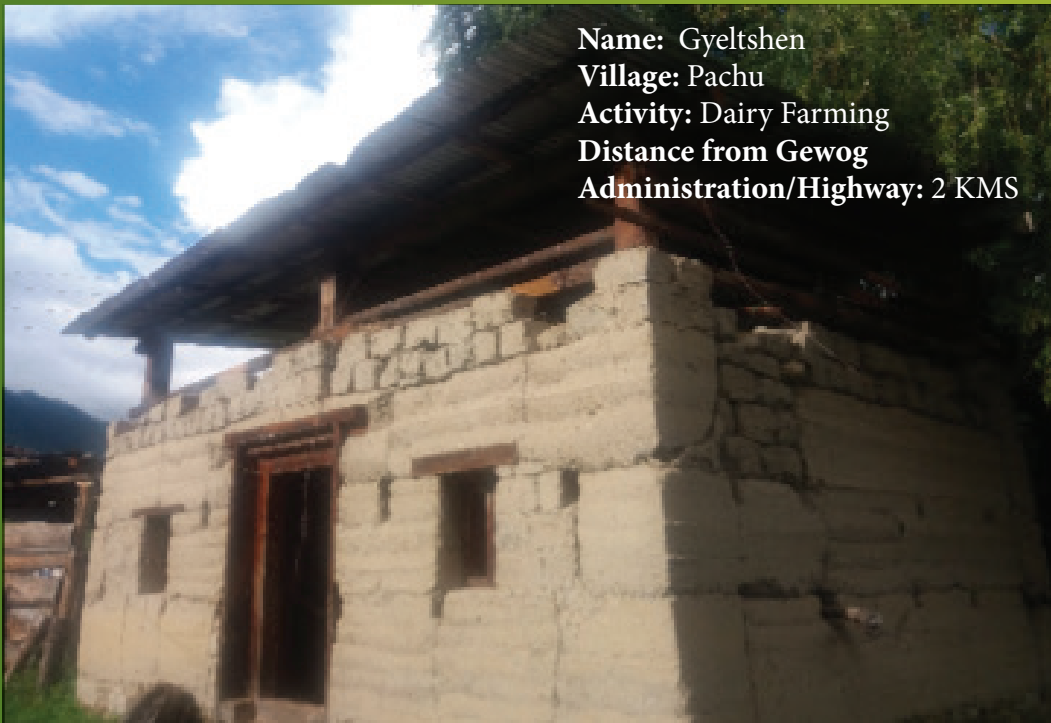
GEWOG: DOTENG
Name: Shebdo
Village: Jabjee
Activity: Dairy Farming
Distance from Gewog
Administration/Highway: 1 KMS



Name: Gyeltshen
Village: Luchoe
Activity: Vegetable Farming
Distance from Gewog
Administration/Highway: 1 KMS



Name: Sangay Om
Village: Phushar
Activity: Power Tiller for
agriculture farming
Distance from Gewog
Administration/Highway: 3 KMS



Name: Gyeltshen
Village: Pachu
Activity: Dairy Farming
Distance from Gewog
Administration/Highway: 2 KMS



GEWOG: TSENTO

Name: Pema Denkar

Village: Namji

Activity: Agriculture Farming

Distance from Gewog

Administration/Highway: 0.5 KMS



Name: Gyem Dorji- Youth with Law Degree

Village: Nyemey

Activity: Dairy Farming

Distance from Gewog

Administration/Highway: 0.5 KMS



GEWOG: LAMGONG

Name: Nim Dorji

Village: Jagathang

Activity: Dairy Farming

Distance from Gewog

Administration/Highway: 4.8 KMS



GEWOG: HUNGREL

Name: Dawa Zangmo

Village: Goenkha

Project Location: Jangsa, Dopshari gewog

Activity: Dairy Farming

Distance from Gewog

Administration/Highway: 2 KMS



Name: Gyem
Village: Chukha
Activity: Cultivation of mixed Vegetables
Distance from Gewog
Administration/Highway: 1.8 KMS



Name: Tshewang Lham
Village: Tshendona
Activity: Vegetable Farming
Distance from Gewog
Administration/Highway: 2.5 KMS



Name: Lham
Village: Nemjo
Activity: Dairy Farming
Distance from Gewog
Administration/Highway: 7 KMS



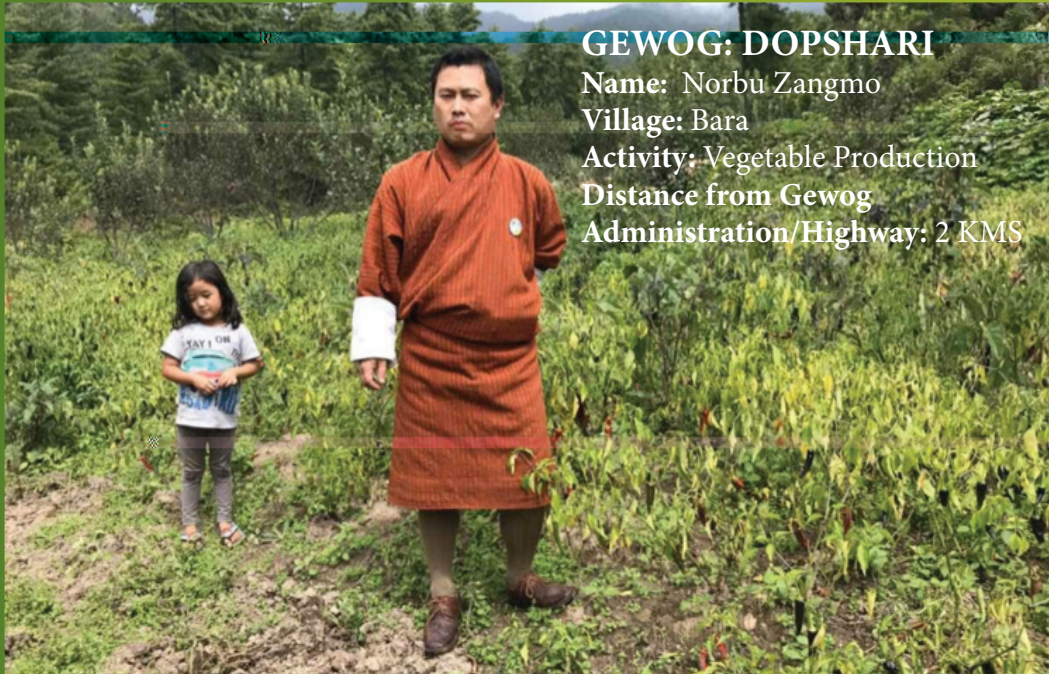
GEWOG: LUNGNYI
Name: Wangmo
Village: Nemjo
Activity: Dairy Farming
Distance from Gewog
Administration/Highway: 8 KMS



GEWOG: SHABA
Name: Jochu
Village: Nephu
Activity: Poultry Farming
Distance from Gewog
Administration/Highway: 6 KMS



Name: Karma Pem
Village: Nemjo
Activity: Dairy Farming
Distance from Gewog
Administration/Highway: 7 KMS



GEWOG: DOPSHARI

Name: Norbu Zangmo

Village: Bara

Activity: Vegetable Production

Distance from Gewog

Administration/Highway: 2 KMS



Name: Tshewang Zangmo

Village: Bara

Activity: Dairy Farming

Distance from Gewog

Administration/Highway: 2 KMS



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