It is the end of another busy and productive year and time for the Loden Foundation to wish all our friends, supporters and well-wishers a Happy Sheep Year. The Year 2014 has seen a lot of activities in addition to our regular programmes. We had two public figures join us as new board members while one of our founding trustees, Ashi Kunzang Choden, left the board to move back to her home in Bumthang, from where she will continue to work for Loden. Two new faces also joined our management team as programme and finance officers and Loden's chief of staff, Dorji Tashi, who was on study leave, has returned from London with an MBA to lead Loden as the Executive Director. We continue to be a small but efficient team of three full time employees, volunteers and interns.

All of our scholars in schools and universities have now begun their new academic sessions. The Loden Early Learning Centres began their first steps to make the facilities self-sufficient in the future. Fourteen new entrepreneurs joined the Loden network of entrepreneurs in 2014 taking the number of ventures we have funded to 77. Loden has co-ordinated the Global Entrepreneurship Week in Bhutan for the third time with resounding success. The success was to no small degree due to the collaborative effort made by partnering local institutions and organisations involved in enterprise development. On the international front, our stalwarts in the UK and Singapore continue to render us unrelenting support and we have managed to screen Made In Bhutan in half a dozen locations and make many new connections.

As we welcome the Female Wood Sheep year, we are seriously thinking about how we can sustain and expand the benefit we bring to thousands of people through your generosity and support. We aim to continue enrolling at least 100 children in our Early Learning Centres, support 100 scholars in schools and colleges and have funded 100 social ventures in 2015. The Sheep sign, according to the ancient concept and term of Yang, is symbolic of wealth and prosperity in Bhutanese culture and the Female Wood element indicates production, growth and greenery. With such astrological propitiousness, we plan to launch this year a major campaign to ensure the sustainability of our services as ‘a channel of your charity’. We shall once again turn to you for your unfailing and continued support to help us grow roots and branches into the long future.

Kadiche / Xie Xie / Thank You

Karma Phuntsho
Founder / President
Best Loden Entrepreneur Award, 2014

Lama Sonam Gyatsho, a monk from Beyul Langdrak Monastery, who runs an incense factory with his team in Wangdi, won the Best Loden Entrepreneur Award 2014. The award comes with a cash prize of Nu.100108 and a trophy. Langdrak Incense Factory employs nine full time staff from poor backgrounds and uses both local and imported ingredients to manufacture incense according to Bhutan’s cultural standards.

The monastic business received a financial capital of Nu.400,000 from Loden in 2008 to buy machinery and equipments. In addition to the interest and collateral free loan, Lama Sonam and his team also received packaging and marketing support from Loden. He said he is following the wishes of his master to run and support the monastery and the incense factory was set up for this purpose. “Lama Sonam’s venture won this year’s award because his social and altruistic enterprise combines all the objectives we seek,” said Pema Wangchuk, Loden’s officiating Executive Director. “It is a good example of financial success with a turnover of over Nu.2 million each year and a net profit of Nu.500,000. The profit goes straight to support the monastic education and even the operating costs help the poor families of the employees. The business also fulfils our cultural and environmental conditions”, said Pema Wangchuk.

Loden’s founder Karma Phuntsho said: “Besides honouring a successful entrepreneur, we are also taking a new step here to convey the message that our religious people are and can be productively engaged in the society and that business and altruism can be effectively married in social entrepreneurship. It helps us break a cliché that religious people are not entrepreneurial.” The award was given by the Opposition Leader, Dr Pema Gyamtsho during the concluding ceremony of the Global Entrepreneurship Week.

Loden Sows SEED in Colleges in Bhutan

Loden has taken another major step in 2014 by launching Loden SEED (Student Empowerment through Entrepreneurship Development) programme in seven colleges in Bhutan. SEED is an extension of the Loden Entrepreneurship Programme to colleges and schools, in order to bring both theoretical learning and practical experience of social entrepreneurship to the young minds. It is a unique opportunity to explore and develop the entrepreneurial potential of students in full time education.

The programme aims to stimulate young minds of students at a time in their lives, when they are full of imagination and open to new possibilities. It is expected to contribute towards extra-curricular development of the students and inculcate entrepreneurial skills through exploring business opportunities, innovative thinking, confidence building and improvement of self-esteem and social awareness. It hopes to sensitize students in various career opportunities, especially in seeking self-employment in order to curb the chronic youth unemployment problem.

Loden offered a grant of Nu 50,000 each to these colleges as a seed capital to start student-led ventures within the college campus. The fund is expected to revolve annually although the revenue generated from it may be distributed amongst the student entrepreneurs or contributed to build college welfare fund. The Loden Foundation aims to extend this program to all other colleges in Bhutan in 2015. The programme is funded by the Swiss Development Cooperation, Thimphu.
Workshop with International Entrepreneurs

The Loden Foundation, Entrepreneur’s Organisation and The Noble Traveller have jointly organized a workshop in Thimphu involving over a hundred local and international entrepreneurs. The workshop stimulated a lively discussion on the various challenges faced by the entrepreneurs around the world, focusing on issues relevant to Bhutan. It deliberated on the current entrepreneurial ecosystem in Bhutan, the main hurdles start-ups face and the viable solutions. The workshop was divided into three sessions of (1) general presentation of perceived and real challenges by lead speakers, (2) brainstorming in smaller groups to narrow down challenges and recommended solutions and (3) deliberation of recommendations in a plenary session.

The key questions for the workshop included the notional and real challenges faced by entrepreneurs, assumptions about these challenges, ways to overcome them through systemic societal changes or individual interventions and practical tips for coping with the challenges. The workshop benefited from the presence of members of Entrepreneur’s Organisation and the meeting of international and local entrepreneurs and social leaders to draft a practical list of recommendations for entrepreneurs.

Letter from a Young Scholar

Life is not always a bed of roses. Even if it is, who would know of the hidden thorns underneath the beauty. For someone like me, who come from a simple family living in a sort of lego-house, which is susceptible to breaking down anytime, I have always tried to withstand the storms passing by but there are times in life when a person becomes helpless no matter how hard she tries to surpass the hurdles. When I failed during one of the turning points of my life, Loden Foundation turned out to be my savior for opening a window of opportunity for me to continue my education in Sherubtse College. I am very grateful to the Foundation for rekindling the lost light of hope within me.

Now, when the college opens on 15 February, I will be in my final semester of college education. It is a joyful news that I will be graduating soon. Starting a journey is important but what is more essential is to finish it successfully. My academic journey until now has been pleasant from thanks to all the people I met on the way. While there have been a few bumpy rides, I have managed to overcome them, and hopefully the last ride will be a smooth one with the encouragement and support rendered by the Foundation. What sunshine is to the flowers, the Loden Foundation has been to me.

I remember this amazing quote from somewhere: “Some people are always grumbling because roses have thorns; I am thankful that thorns have roses”. Moreover, I am sure that other people such as me will have Loden Foundation as a blessing which can make incredible difference in their lives as well.

Kezang Deki (Final Year) Sherubtse College
Reflections on LEP and Late Repayments

In November 2014, the Loden community of entrepreneurs further expanded; it has now reached 77 members. The new entrepreneurs of 2014 are showing great enthusiasm and commitment. Some of them are exploring new avenues, such as medical assistance, fibre optic services, recruitment agency and rafting while others are in farming (dairy, cardamom) or in crafts (ceramics, stone sculpture).

Out of the 14 new projects, six are led by women and eight by men but a number of them are team projects. The youngest laureate is Pema Dorji, 23 years old, and most laureates are below 30. Three projects are located in Thimphu, one both in Thimphu and Kolkata, and eight are in the south, central or eastern Bhutan. The amount of funds allocated in 2014 is Nu.10.6 million, which is significantly more than in any previous year.

Most of the projects started in 2008 have known success and a few even great success, such as Greener Way led by Karma Yonten which has secured a major waste management contract in early 2015. But a challenge is obscuring this joyful picture for entrepreneurs of the 2010 and 2011 batches. It seems that a growing number of entrepreneurs are less committed in repaying the loan on time. Some have good reasons. Their businesses are facing some serious difficulties and the Loden team is helping them by offering mentoring and specialized training led by professional and dedicated volunteers such as William Tacon, Zoltan Valcsicsak, Erick Rinner and Alison Tay. However, a few others don’t feel the need to reimburse their loan as scheduled. As Loden loans carry no interest, delaying is perceived as a move to their advantage. There is a lot of verbal promises but as Shakespeare says: “Words pay no debt”.

Lending money to a young entrepreneur is a sign of trust in his/her abilities and commitment. Accepting a loan implies that the entrepreneur commits to respect the terms of the contract. He/she must realize that by reimbursing the loan, the entrepreneur is giving to a future young man or woman the same opportunity he/she has been offered. The money should flow from one project to another allowing the community of young entrepreneurs to grow on and on.

On top of it, as we say in France, “payer ses dettes enrichit”, “once paid, never craved”! Loden appreciates very much how a growing number of Loden entrepreneurs, despite their busy schedule and day to day challenges, offer their time to participate to the life of Loden: Bimla Rai is on the Board, Sangay Tshering, Tshewang Dem and Pushpa Chetri devoted three full days to be part of the jury and many are eager to share their experience and challenges. Being an active member of the Loden community is very important: it helps create synergies, face problems, share assets, innovate ideas, etc.

Thanks to all its members and volunteers, Loden is building a community of committed entrepreneurs, sharing the same ethical values, and young people recognize entrepreneurship as an inspiration. Last spring has seen a very encouraging start of the Loden SEED program in schools and colleges following a great initiative led by Loden’s special executive, Pema Wangchuk who is starting a new career.

Thank you, Pema, for your heartfelt contribution to Loden during the last three last years.
Entrepreneur Receives National Award

A female entrepreneur, Tshewang Dem supported by Loden to start Tsejor’s Ezay won a Bhutan Enterprise Award in 2014. Ezay (pickle) making was once a hobby for Tshewang which has now become a source of income for her. She was encouraged by her friend to make it on a commercial scale. “I was a corporate employee with limited income and with responsibilities, extending from my family to my needy relatives,” she said, “I thought the idea was worth a try.”

When she started off her range of vegetarian ezays in 2000, it didn’t pick up immediately. “Some said anyone can make ezay at home, and there wouldn’t be many buyers,” she said. “I couldn’t devote much time and, instead of marketing, I was waiting for buyers to come to me.” She couldn’t shake off the feeling that it was more of a hobby than a creative and innovative business venture. “But I overcame that feeling and the fears, sought loan and funding from Loden foundation,” she said.

Today, she has three employees and makes a steady income, which helps her family and education of her nieces and nephews as well. “I hope to become a full-fledged industry, employing hundreds and customer base established within and outside the country.” Her biggest competition has been the non-vegetarian ezays like shakam (dried beef) and sikam (pork) ezays.

The award was organized by the Ministry of Economic Affairs. Tshewang received the Certificate of Achievement along with cash prizes. The award was instituted for the first time by Department of Cottage and Small Industry. Prime Minister Tshering Tobgay handed over the certificates and prizes to the winners at a special function on 26 April in Thimphu.

Making the Early Learning Centres Sustainable

As our community based Early Learning Centres eagerly look forward to the new academic year, 2015, we would like to reflect on our seven-year journey since we embarked on this programme in 2008. With some experience drawn from our first centre in Bumthang, we were able to start two centres: one in Samtse in 2010 and other one in Mongar in 2011. Since then, we have been receiving increasing community support which enables our centres to now take their first steps towards making the facilities self-sustainable.

We were offered free spaces by the community to establish our centres. Our instructors continue to receive guidance and capacity building opportunities from the Department of School Education. We would like to believe that our instructors have now gained adequate experience to operate these centres professionally and gradually turn them into sustainable operations. We have started charging token fees from the parents to this end.

A total of about 500 children have graduated from our three centres over the period of seven years and we hope to enrol about 100 students for the new academic year, 2015. With continued support from our supporters and well-wishers, Loden intends to replicate centres in other parts of the country.
Greener Way Wins a Bid to Manage Waste in Thimphu

Greener Way, an initiative supported by Loden, has secured the contract to collect and dispose waste from Thimphu Thromde’s south and central zones starting 1 January 2015. Thromde will charge a minimal waste collection fee from the Thimphu residents. The Thromde worked out the fee payable by different residential entities. The fee structure has been submitted to Finance Ministry for approval. Thromde will collect Nu.50 per residential unit every month. For business units, fee ranges from Nu.300 to 3,000. Likewise, Nu.200 will be collected from the institutions every month. Thromde will give Nu. 1 million from the collected fees every month to Greener Way.

Out of the three private bidders, Greener Way secured the contract because of viable technical proposal it submitted to the Thromde. Greener Way bid for all the three zones – north, central and south. However, the Thromde allows only two zones per bidder. That’s why Greener Way was given south and central zones of the city. Yeshi Wangdi, head of solid waste of Thimphu Thromde, said that the main objective of setting the criteria of two zones was to encourage more private participation. Waste collection in North Thimphu will be done by the Thromde until suitable private candidates are found after re-floating the tender. Thrompon Kinley Dorji said: “If no private individuals turn up during the re-tender, we will review how Greener Way is performing and we may give the north zone to Greener Way. Based on its performance, that is.”

Subash Sharma, business strategist with Greener Way, said: “We have computed technically the timing and frequency of waste collection by analysing effective collection routes using GIS (geographic information system). However, we will integrate ground realities and technical analysis for the first few months with public consultation.” According to Greener Way, the overall objective of this project is to divert all wastes going to Memelakha. Dry or recyclable waste will be disposed at transfer station of Greener Way and the organic and kitchen waste will be taken to composting plant at Serbithang. Greener Way’s strategy is to focus on convenience of the households regarding the timing and frequency of waste collection. “We have also established a Feedback Cell with dedicated customer service team to improve our service quality,” said Subash Sharma. Out of 19 waste collection trucks that the thromde has, 13 will be given to Greener Way on lease.
Documentary for Awareness

In an attempt to help motivate and encourage young adults to embark on entrepreneurship, Loden initiated a documentary film titled, ‘MADE IN BHUTAN’ directed by Hirondelle Chartelard. The 32 minute documentary shows the emergence of entrepreneurship in Bhutan.

Despite a range of programmes offered by different agencies aimed at fostering a vibrant entrepreneurial ecosystem in the country, people in general, still appear to have a poor understanding of the actual value of entrepreneurship. As the country seeks to diversify its economic base, Loden took up this special intervention to raise awareness amongst the general public by highlighting the current state of entrepreneurship and opportunities for new venture development.

Since the launch of the documentary in Thimphu, numerous free screenings were organized in colleges, schools and public gatherings in Bhutan. The documentary was received with great compliments and overwhelming support.

The documentary has been screened in several foreign countries including the United States, the United Kingdom, Switzerland, France, Belgium, Singapore, Nepal and China, where friends of Bhutan and entrepreneurship enthusiasts attended. The documentary was an excellent avenue to introduce Bhutan to a larger global audience and to showcase our work to the donor organizations, both past and present. Most importantly, it served as an excellent icebreaker to enter into a debate on entrepreneurship through which we have learned a lot from the best practices around the world. The screening also helped expand Loden’s social network, which is crucial for organizations like Loden.

The screenings would not have been possible without the open-handed support from Hirondelle Chartelard who was our pro-bono director and producer of the documentary. We thank Hirondelle and her team for their commendable work.

More information on the documentary can be found at www.madeinbhutan.org.

Return of the Executive Director

After being away from work for fifteen months, Dorji Tashi resumed his regular duties at Loden from February, 2015. Dorji has been on study leave to pursue Masters in Business Administration in London, United Kingdom.

A bachelor’s degree in Bhutanese Languages and Cultures complemented by a Masters in Business Administration makes Dorji an ideal candidate to lead Loden and administer the entrepreneurship and other educational programmes with local expertise and international exposure. Dorji was offered a joint scholarship by the London School of Business and Finance and Laison Office of Denmark in Thimphu.

He joined Loden as a first core staff in 2007.
A Volunteer’s Perception

In April, a two-day workshop was held in Mongar, some two day’s travelling from Thimphu into Eastern Bhutan. The session was enthusiastically supported by Aiman Mahat, Director, Regional Trade and Industry Office in Mongar. His encouragement led to a record attendance of over 190 participants, including college students, aspiring entrepreneurs and others who had already started businesses.

Topics covered included bookkeeping and accounting, an overview of how to write a business plan and marketing. Panel sessions with presenters and local representatives from the Regional Office and the Ministry of Agriculture and Forests provided excellent opportunities for interactive involvement with aspiring entrepreneurs to build on their learning and find out more about the available support, whether financial or advisory.

Loden organized the 3rd Global Entrepreneurs Week in Bhutan in November, in conjunction with a number of other entities, which also encourage and in some cases provide funding and training to entrepreneurs. Spread over six days, the daily attendances were extraordinary ranging from 180-190. Participants were drawn from all parts of Bhutan, and many, especially entrepreneurs already in business, attended every session. This is a tribute to the value attributed to GEW by aspiring entrepreneurs and their thirst for knowledge, information and sharing practical experience.

Financial Report 2014

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