



The Loden Report

The Annual Newsletter of the Loden Foundation

... celebrating 15 years of service towards fostering an enlightened and happy society through education in Bhutan

LOSAR 2014

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*Continue
to do good long
after you are gone!
Remember Loden in
your will and make
us carry on your
legacy of helping
those in need.*

Kuzu Zangpo and Tashi Delek La!

As the Waer Snake slithers away and the new Wood Horse trots in, we at the Loden Foundation would like to once again reach out to our friends, supporters and well wishers to wish you all a wonderful Bhutanese New Year and to update you on our activities. This year marks 15 years of our work in education and learning, and we hope you will join us both to rejoice in our achievements and to partake in our plans. It is due to the generosity, wisdom, and hard work of our trustees, friends, benefactors, staff and volunteers that Loden has succeeded in making a difference to many individuals and communities since 1999.

In the 15 years of our service, we have seen 385 children pass out of our three Loden Early Learning Centres and we have received strong recommendations from school teachers that graduates of our centres do better than other children. We have also supported over 100 students in school education and 12 students for university education through scholarships. Tenzin Pemo, who became our first child beneficiary in 1999, recently graduated from Sam-

tse College of Education and is embarking on her career as a teacher in a few weeks. Her educational journey and the relationship we have built between her and her sponsor epitomize the value and benefit of child sponsorship scheme.

For young people coming out of schools and colleges, the Loden Entrepreneurship Programme is also beginning to show significant impact. We have trained over 1250 young people in basic entrepreneurship and business and funded and mentored 63 Business projects which are socially beneficial, culturally sensitive and environmentally friendly. Two of these have been globally recognized while many more have gained much approbation at home. Jigme Drukpa of Ayang Music School was awarded the Loden Entrepreneur 2013 prize in the first case of recognizing an entrepreneur in Bhutan. We have also promoted social

and ethical entrepreneurship through various events, including the annual Global Entrepreneurship Week. As Bhutan struggles with its fiscal deficits, rupee crunch, youth unemployment, unabated urbanization and other socio-economic malaises, we are determined to expand our efforts in developing social enterprises which can employ the youth meaningfully, produce import substitutes, boost domestic production, reduce rural to urban migration and contribute towards economic self-reliance. The Loden Knowledge Centre has become increasingly lively with educational events and we will be welcoming our third staff and third international volunteer on the management team.

As we carry on this exciting journey of education and entrepreneurship, we hope you will continue to walk with us and share our challenges as well as our triumphs.

Kadrinche / Thank you / Xie xie

Karma Phuntsho
Founding Director



Loden Entrepreneur receives Global Recognition



The Prince's Youth Business International has recognised Karma Yonten, the founder of Greener Way as the Environmental Entrepreneur of the year 2013 at the Global Youth Entrepreneurship Summit in London.

Karma started Bhutan's first waste service firm in 2010 through partial support from the Loden foundation. He was the second Loden entrepreneur to receive such distinguished global award, the first being Deki Wangmo, who received the Women Entrepreneur of the Year Award in 2010. The award was presented on 12 September 2013 in London.

Loden Entrepreneurship Training

William Tacon
Chartered Accountant, UK

Loden held a highly successful 10th workshop for emerging entrepreneurs in Phuntsholing, southern Bhutan, over two days in late October 2013. It was attended by 55 people and was notable for attracting young persons who wanted to know more about entrepreneurship and also to learn from the experiences of those who have taken the plunge. The feedback was overwhelming positive and the candid sharing of experiences by established entrepreneurs was greatly valued by all participants.

The workshop included sessions by Sangay Rinzin and his colleague Ugyen Lhendup of Gaeddu Business College on the importance of keeping adequate financial records, the key role of effective marketing for all businesses and an overview of the legal requirements for establishing a business. I presented sessions on the role of strategic planning by entrepreneurs and how they should go about preparing business plan. Another volunteer, Till Frischmuth gave a presentation about the



Buddhist aspects of being in business.

Phurba Thinley of Bhutan Power Corporation brought the principles of book-keeping to life with a presentation and quiz which caught the imagination of the participants in friendly competition. The workshop concluded with a lively question and answer session to a panel of several of the presenters, including Rinzin Tshomo.

On their return journey to Thimphu, Pema Wangchuk and I visited Rinzin

Tshomo at her newly constructed workshop. She and her employees had clearly gelled as a team and all were delighted to be working in the business making a high quality prayer flags, using a variety of skill sets, including silk screen printing, sewing machining and handling large quantities of cloth.

The high attendance and enthusiasm of the participants demonstrates that the Loden Entrepreneurship Workshops continue to make a major contribution to the promotion of entrepreneurship in Bhutan.

Flying Colours

Rinzin Tshomo is one of the Loden entrepreneurs who made a successful transition from employment as a teacher to an entrepreneur employing five people in her prayer flag making business outside Phuntsoling.

Her company, Darzang produces high quality, all cotton and, most importantly, religiously accurate flags. She is mentored by Loden's Founder and Bhutan's culture expert, Dr Karma Phuntso, in making sure the sutras are correct and in accordance with the requisite. Mr Erick Rinner as the international mentor guides her with the business strategies besides regular monitoring by the Loden staff. This is an excellent example of the support Loden backed entrepreneurs can expect.

Incredibly, since the demise of the traditional process of printing prayer flags us-

ing carved wooden blocks, all have been imported from India, usually made on non bio-degradable nylon and often having serious errors in their texts.

Rinzin Tshomo has found outlets in Thim-

phu and other places - exports are a distinct probability. She has no regrets in leaving the safety of employment for entrepreneurship.



Fresh Loden Scholar shares her enthusiasm



I come from a humble family of seven, three sisters, one cousin and two parents. I started my education in Babesa Primary School and then moved to Loseling Lower Secondary School. I still remember how I had to walk all the way to and from school, seldom accompanied by a friend. Though the journey tired me, I would

always go home happy knowing I moved a step closer to achieving my dream. I grew up with the dream, a rare dream to become a doctor, the best one I can be. But no matter how hard you try, you always fall short. After my exams of 10+2, despite my desperate attempt and hard work put into giving it my best shot, I could not obtain full scholarship to study medicine. Completely heartbroken, my days became blank and my nights sleepless. It was like the ship, of which I am the captain, sank because the crew gave up and I alone couldn't do anything. Just as I was starting to lose all my hopes, the Loden Foun-

dation came to my rescue and offered me a help in funding my medical studies. Since then, I have been excited and happy. I would like to express my gratitude to Erick Rinner, who supports me and the founder and members of the Loden Foundation for all their support and guidance. You saved a life; I will work hard to save many more.

Thank you.

Dechen Yoesel Choden,
MBBS student University of Colombo

Global Entrepreneurship Week 18-24 November 2013



Tshering Tobgay, Prime Minister of Bhutan

As entrepreneurship becomes increasingly important and recognized in Bhutan, there is a growing need for greater awareness of entrepreneurship and better coordination of efforts.

The Loden Foundation took the initiative to organize the Global Entrepreneurship Week (GEW) in 2013 for the second time in Bhutan to celebrate the global week of entrepreneurship.

The event was aimed at bringing together thinkers, policy makers, NGOs and entrepreneurs to spread the awareness of entrepreneurship, train and inspire prospective entrepreneurs and discuss socio-economic issues of national importance.

The main objective of the weeklong programme of events organized by the Loden Foundation in partnership with other organizations was to promote the culture of innovation and enterprise and to raise the awareness of social entrepreneurship. We aim to introduce the concept of entrepreneurship to total beginners, de-

velop ideas and skills to those on the journey of entrepreneurship and promote social responsibility and ethical practices, which are respectful of our nature and cultures, among the established business practitioners.

Honourable Prime Minister of Bhutan, Lyonchen Tshering Tobgay accompanied by the minister for Labour & Human Resources and the minister for Economic Affairs and many other senior government and corporate officials attended the inaugural session of Global Entrepreneurship Week on 18th November 2014 at the City Cinema Hall.

Lyonchen, while addressing the gathering of about 200 participants of young entrepreneurs, expressed his happiness for seeing many youths gathered for a weeklong programme. "The very fact you have come with interest in this initiative means you are very much on your way to entrepreneurship" Lyonchen said. He also took the opportunity of the platform to announce a few new government initiatives to support young entrepreneurs as good news for the emerging entrepreneurs.

The event was a great success in promoting the awareness of entrepreneurship in the country in general and among the youth in particular. Through 15 educational activities and events in partnership with nine organisations, we have managed to introduce entrepreneurship to over 1000 people across the country, give intensive week-long training to over 200 youth, run public discussions and debates on entrepreneurship, organize talks in the broadcasting media and free screening of the documentary film: MADE IN BHUTAN by Hironnelle Chatelard.

The Global Entrepreneurship Week (GEW) is the world's largest campaign to promote entrepreneurship.

My Education Experience ... *Tenzin Pema, Loden's first beneficiary writes.*

Education, in one word, is learning and learning does not happen just inside the four walls of the classroom. Every time you step out or even blink, a lesson is learned. I was not extraordinary; I had the same ordinary life like all other kids living in rural Bhutan. That was until I came across a Welsh man named Robert Miles through Dr. Karma Phuntsho. He helped me financially, sharing what he earned, and also became a good friend and a teacher, all from a distance. We have never met but I am deeply grateful to him.

Being the second in a family of five daughters, I have a great deal of responsibilities. Therefore, I had no time to lose on my educational journey. Mr Miles' support

through the Loden Foundation helped me avoid the hardship my family went through while educating all of us. However, that was not all. My perception towards many things changed after 'meeting' Mr Miles. My school days were at first dull, eating the same three meals of rice and vegetable dish, and going through the usual regime. Communication with Mr Miles brought excitement. I heard of places I never imagined before and it was great fun to receive letters from a distant country. In this way, I learnt many things outside the school curriculum.

Today, as I embark on my career as a teacher, I am convinced that such additional experience strongly helps a child to achieve his/her goals. There will be no



limit to my learning and I am looking forward to spread the same culture among as many youth as possible in my life. I am really grateful to my parents, teachers, the Loden Foundation and Mr Miles for igniting this flame of knowledge in me.

Building a network of responsible entrepreneurs

The Loden Entrepreneurship Program (LEP) is now six years old. Since 2008, 63 young entrepreneurs have started or grown their business with the support of Loden. It is now a good time to look back at what has been achieved, try to draw lessons from successes and failures and to be clear on our priorities for 2014 and beyond.

Young Bhutanese are far more aware of the potential of entrepreneurship than a few years ago. The Government is very supportive and announced recently a number of initiatives. Events like the Global Entrepreneurship Week which has been organised in Thimphu by Loden in November 2012 and again in November 2013 have been well attended and many civil organisations, corporations and Colleges have joined in this campaign. However it is key that the message is carried to a wider audience, in schools and in distant regions. This has been the main purpose of the film MADE IN BHUTAN which has been very well received each time it has been shown. Increasing awareness of entrepreneurship will stay as a priority in 2014 and Loden plans to announce soon a number of new initiatives in this direction.

Entrepreneurship is not reserved to young city dwellers with diploma. In fact some

of the best Loden entrepreneurs did not receive formal education and a number of them operate far from Thimphu. They have more professional skills than college degrees and they are highly motivated and trained in what they do. This is why we believe that a culture of apprenticeship as it is common in Germany is important for Bhutan. Regarding Loden entrepreneurs, we plan to encourage them to recruit and train apprentices and we will continue to support entrepreneurs all over Bhutan, including in the rural areas. In our selection process we will continue to give more weight to skills, experience and motivation than to formal education.

Being an entrepreneur is often a lonely challenge. When you face difficulties, it is not easy to find supporters who can advise you and help you effectively. This is why we offer to all Loden entrepreneurs the services of mentors both national and international with whom they can dialogue and we are constantly improving our resource center where they can find books and computers to continue their training. We organise in Loden office regular events with experts on technical subjects like tax, contracts, marketing, etc. We also want to build an effective network of Loden entrepreneurs who could share experience and support each other. It has not been an easy task but it could



Gérard Tardy, Director, LEP

become easier now that we will reach a critical mass of around 80 Loden entrepreneurs by the end of the year 2014. We are encouraged by the continuous commitment of Loden entrepreneurs of the first years, even after they have fully repaid their loan. For the first time in 2013 two Loden entrepreneurs have taken an active part in the final selection panel who interviewed new candidates and we will continue to include Loden entrepreneurs in our selection panels and among our Trustees.

We want to thank warmly the entrepreneurs, the wonderful Loden team and all the Loden friends who are supporting us locally and internationally.

Notes from Afar....



Dorji Tashi
Executive Director (on study leave)

The journey of The Loden Foundation holds a fascinating story from a one-man show in its early days to where we are today with a highly committed executive team of staff, five directors and many stalwart supporters. The Loden Foundation was born with the start of its Sponsorship Programme when Dr Karma Phuntsho was a student at the Oxford University. With the generous support from some close friends of the founder, Loden diversified its interventions through community based early education programme and entrepreneurship programme as these areas needed serious attention.

I joined as their first core staff with a heavy responsibility to execute Loden's extensive programmes which were aimed

at promoting educational and entrepreneurial opportunities in the country in order to curb youth unemployment and to contribute to socio-economic development of the nation. My first key role was to register Loden with the Civil Society Organisation Authority (CSOA) as required by the CSO Act of Bhutan. Since such registration was new to Bhutan, I found it a cumbersome process. However, Loden obtained its legal status as one of the first public benefit organisations in March, 2010.

The number of our scholarship beneficiaries in schools has increased in recent years and we have also recently added Scholarships for Higher Education for students going to universities both within Bhutan and abroad. Priorities were offered in the areas of medical sector and other technical areas to help meet our nation's needs. Loden runs three Early Learning Centres in the south, east and central parts of Bhutan through which we hope to provide enhanced early learning facilities to rural children thereby also helping their parents to engage in gainful activities. It gives us immense pleasure to see our entrepreneurship programme touch the lives of 63 entrepreneurs and their dependents spread across 16 different districts of Bhutan. Each of them employ on average five people impacting lives of hundreds of family members through their work.

In the attempt to position ourselves to embrace more challenging years ahead, I was offered 15 months of study leave

to undertake my education in the United Kingdom. I am optimistic that the new skills and exposure I gain would enable me to help maintain, if not increase, a the current pace of progress in Loden. Besides my daily academic schedule, my time in London gives me an ideal opportunity to represent Loden in the UK and Europe.

I'm pleased to share with you that an exclusive screening of 'Made in Bhutan' a film featuring the emergence of entrepreneurial culture in Bhutan was organized in the United Kingdom and France. I'm looking forward to organizing similar screenings in other EU countries to help introduce Bhutan to a wider audience and to exchange insights on entrepreneurship. The production of the film was primarily aimed at encouraging aspiring entrepreneurs in Bhutan and our head office is doing its best to make it accessible to everyone. You can watch the trailer of the documentary film here: <https://vimeo.com/84535932>.

As Loden continues its charitable journey, I'm hopeful that our supporters and well wishers will continue to remain with us on board to widen the horizons of our social service to the people of Bhutan. With my greetings from London, I join my team in Bhutan to offer our prayers for the continued health, wealth and harmony of our friends as we celebrate 'Dangpai Losar', the most important Bhutanese New Year. Tashi Delek!

Loden Entrepreneur of 2013

Jigme Drukpa, a proprietor of the Aa-yang Music School, was declared as the Entrepreneur of the Year 2013. He was awarded a trophy and the cash prize of Nu 100,108/ by the chief guest Dasho (Dr) Sonam Kinga during the closing session of Global Entrepreneurship Week on 23rd November 2013 at Tarayana Conference hall.

Jigme was supported with collateral and interest free capital fund of Nu 440,000 to set-up Aa-yang Music School in 2010.



Loden Entrepreneurs 2013



Sangay Penjor
*Furniture House,
Wangdiphodrang*



Tshering Bedha
*Coffee Shop,
Lhuntse*



Chhimi Dema
*Child Care Centre,
Samdrupjongkhar*



Meg Bdr. Rai
*Student Shop,
Samtse*

Thirteen new entrepreneurial projects supported ...



Loden has supported thirteen new projects in 2013 with interest free and collateral free loans. These projects were selected based on our guidelines such as financial feasibility, cultural and ecological sensitivity, social impact, geographical suitability, sustainability, entrepreneurial drive and motivation and personal commitment.

The projects include: Furniture House in Wangdiphodrang, Coffee Shop in Lhuntse town, Child Centre in Samdrupjongkhar, Student Shopping Centre in Samtse, Mineral Water Production in Chukha, Food Processing Firm in Wangdiphodrang, Hot Stone Bath Service in Bumthang, Art and Craft Training Centre in Wangdiphodrang, Bee Keeping Firm in Samtse and Dairy Firm in

Paro.

Loden has successfully conducted training on Mentoring and Volunteering for 20 national mentors in the mid of November 2013. The training was conducted by Hoang Anh Thile, of Youth Business International who is an experienced and versatile manager for international mentoring capacity building projects. Trained mentors are linked to the entrepreneurs who are their mentees. Before receiving certificates, the participants signed an undertaking to volunteer as mentors for new enterprises in Bhutan. The Loden Entrepreneurship Programme has attracted several interested international and local mentors adding significant strength to the LEP.

Education through exchange and exposure

The facilitators of the Loden Early Learning Centres visited a few early learning and childcare centres in Kathmandu during a weeklong exposure trip to Nepal. Nepal is said to have the best childcare centres in the region and the educational trip was facilitated by the UNICEF office in Kathmandu. The facilitators came from eastern, southern and central Bhutan and it was their first journey outside of Bhutan and India. The facilitators also spent a day visiting sacred and touristic sites in Kathmandu.



Loden
Entrepreneurs
2013



Kencho Thinley
Soelchu Mineral
Drinking Water,
Chukha



Karma Lingyel
Mini Agro Factory,
Wangdiphodrang



Chencho
Jordan
Maintenance
Services, Paro



Thinley Phuntsho
Swimming Pool,
Thimphu

First batch of trained national mentors of Loden foundation



Twenty mentors were awarded certificates after the completion of rigorous training on 'Mentoring and Volunteering,' provided by Hoang Anh Thile, who is an experienced and versatile manager of international mentoring capacity building projects.

Mentors will be linked to entrepreneurs, who will be their mentees and the mentors will guide and help the mentees in their businesses. Before receiving certificates, the participants signed an undertaking to volunteer as mentors for new entrepreneurs in Bhutan.

The founding director of the Loden Foundation, Dr. Karma Phuntsho reminded the men-

tors that a mentor should be compassionate and wise so as to help the mentees without self-interest and effectively. "An ideal mentor is like the Buddha," he said. "The mentors are yongzins" the founder said, finding a Bhutanese equivalent for the word 'mentor'. He also said that through the voluntary mentoring programme, Loden hopes to promote the spirit of volunteerism. According to him, while there are many who volunteers for spiritual causes such as building temples and stupas, there are not many who volunteers for social causes. "Why can't we convert the spiritual volunteerism into a social volunteerism?" he said.

The participants thanked the Loden and their trainer Hoang Anh Thi Le with assurance that the knowledge they acquired will be used in the interest of mentorship in Bhutan. "We learned a lot and enjoyed the training session as much. I am sure this will also benefit the country as a whole," one of the new mentors said as he presented a gift of appreciation to their trainer.

Hoang-Anh also expressed her appreciation for successful completion of training with the trainees and wished the new mentors a successful mentoring life ahead. She left for London the next day.

Loden Scholarship for University Education 2013



Dechen Yoesel Choden
MBBS
Sri Lanka



Giri Huang Limboo
B.Tech (Civil)
India



Dechen Yangzom
B. Pharmacy
India

Loden Entrepreneurs 2013



Karma Dupchu
Ued Pal Upholstery
& Repair,
Thimphu



Penjor
Traditional Hot
Stone Bath Service,
Bumthang



Gem Dorji
Arts and Crafts,
Wangdiphodrang



Dhan Raj Rai
Danwaesara Bee
Farm, Samtse



Pema Seldon
Dairy Farm, Paro

Loden Foundation Unaudited Financial Report 31-12-2013

Partners & Supporters	Receipts	Programmes	Payments
RET & Maitri Trust	9,893,685.60	Loden Entrepreneurship (LEP)	2,475,587.00
NCWC, Thimphu	245,000.00	Early Learning Centres	1,439,300.50
Rentals/Fees	191,249.00	Loden Scholarships	1,651,064.00
Youth Business International	1,184,965.88	Loden Knowledge Centre	628,632.00
Bhutan Foundation	54,620.00	Salary & Admin	742266.43
CSOFF, Bhutan	300,000.00	Global Entrepreneurship Week	554,298.00
SDC, Thimphu	8,603,600.00		
Uma, Paro	213,600.00		
Global Fund for Children	1,272,305.24		
Individual Donations/Other	2,915,150.06		
Amis Du Bhoutan (France)	160,000.00		
Interest Earnings	1,392,959.87		
Total	26,427,135.65	Total	7,491,147.93

Balance Sheet 31-12-2013

Current Asset	Amount Nu.	Liabilites & Equity	Amount Nu.
Bank/Cash	12,192,227.15	Liabilites	19,061,569.58
Adjustment/Loans	17,888,442.00	Balance Brought forward	30,198,022.96
Endowment	20,000,000.00	Earnings (Interests)	1,392,959.00
Fixed Asset	571,882.39		
Total	50,652,551.54	Total	50,652,551.54

The Loden Foundation

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Mehgraj Gurung
Trustee

Dago Beda
Trustee

Cheda
Trustee

Bimla Rai
Trustee

Pema Wangchuk
Officiating Executive
Director

Phub Wangdi
Finance Officer

སྤྱི་བོ་འདི་ནང་ནས་ཚོས་ཀྱི་སྤྱི་བོ་པ་མཚོགས།

The gift of knowledge is the supreme gift - the Buddha