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The Loden Report

The Bi-Annual Newsletter of The Loden Foundation

CONTENTS

Kuzuzangpo La!	1
Capacity building for aspiring entrepreneurs	2
Making Networking fun for the entrepreneurs	3
Student Entrepreneur participates in a global event	4
Scholars for 2016	5
Meet a New Face	5
Dreams do come true!	6
Loden Entrepreneur featured in the Bhutanese National Television	7
Financed Nine Projects through Loden-DHI Fund	8
Notes from Afar	10
Keeping up with the rest of the world; sign up for the Global Entrepreneurship Week	11
Helping a child find his way	11
Want to make a difference? SPONSOR A CHILD!	12
Where there is a whisk there is a way	12
Pascal on New Business Models	13
Loden Entrepreneur featured in the National Newspaper	14
Loden participated in GEC 2016 in Colombia	15
Simplicity a way to sustainability	16

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Kuzuzangpo La!



At the onset, I offer my heartfelt prayers and best wishes to H.M the Druk Gyalpo and the Gyeltsuen on the joyous occasion of their Wedding Anniversary which is just around the corner.

As the dark monsoon season fades away, heralding the arrival of the bright sunny and festive Autumn season, Loden takes pleasure in bringing out our first-ever Autumn Newsletter to update our supporters, partners, benefactors and well-wishers, near and far on our achievements since our Losar Newsletter of February, 2015. You will be pleased to know that Loden's modest initiatives have been showing concrete signs of touching the lives of an increasing number of people from different walks of life. It is on this account that I felt it necessary to formally communicate with a wider audience so that we could rejoice together and — most importantly — re-energize ourselves to continue our journey together for a larger impact.

In our attempt to further promote entrepreneurship at various levels of society, Loden conducted a two-day entrepreneurship crash course in Samdrup Jongkhar, south eastern Bhutan, for the first time. It was attended by 47 participants, taking the total number of trained entrepreneurs up to an impressive 2,283 since the first training in April 2008. The training was followed by a competition for interest-free entrepreneurship loan in the second round of Loden-DHI Fund April, 2016. A total of 106 aspiring entrepreneurs competed in this round, nine of whom took away loans ranging from Nu. 0.2 million to Nu. 1 million. Loden has to date supported a total of 106 very diverse projects, which are spread across 19 of the 20 districts of Bhutan. Selected projects for this round encompassed a wide range of ventures including online services, agribusinesses, textile design, environmental services, setting up a Martial Arts Institute and manufacturing wooden toys for children. On a similar note, Loden's first Best Student Entrepreneur, Mr. Dorji Tshering, from Gaeddu College of Business Studies, participated in the *Global Student Entrepreneurship Awards* (GSEA) event held in Bangkok, Thailand from 10-12 May, 2016.

Running a business may at first glance seem a lonely journey, but it actually requires a lot of networking, collaboration and public relations activity as well. In order to provide an opportunity for Loden-supported

entrepreneurs to network with one another and also with representatives from various stakeholders, Loden organized its first-ever networking picnic in Thimphu, which was a huge success. Participants were able to learn from each other and they were also able to explore avenues for mutual collaboration, partnership and support.

As part of Loden's annual scholarship programme, Loden offered scholarships for five deserving candidates to pursue MBBS, BBA, Civil Engineering and Business Studies in Sri Lanka, India and Bhutan. Selection criteria included both academic excellence and the economic situation of the applicants' families.

In order to keep up with the growing number of activities in Loden, we have recruited an energetic young woman as our Resource and Communication Officer. With a compact and dynamic group of five young professionals at Loden, supported by local and international stalwarts, we look forward to organizing our much awaited 5th Global Entrepreneurship Week from 14-20 November, 2016, during which a series of talks, workshops, seminars and panel discussions will be mounted. With this event, Loden hopes to orient aspiring entrepreneurs on the basics of entrepreneurship and to create awareness of the importance of entrepreneurship, thereby contributing to advancing a vibrant entrepreneurial ecosystem in the country.

Loden plans to open two more ECCD centres in Paro and Zhemgang and finance another cohort of entrepreneurs with innovative projects, by the end of 2016. In order to realise our dreams of reaching our charitable services further afield within society, Loden continues to mobilize resources. One such effort is the grant proposal for entrepreneurship development which will soon be put up to the SAARC Development Fund and with their blessings, Loden hopes to double its contribution to the society.

On this note, until the next issue of our Newsletter, I would like to thank you for your sustained support and I hope you will continue to stay on board with us to empower young Bhutanese adults through education and entrepreneurship. Please visit our website www.loden.org and Facebook page www.facebook.com/lodenfoundation to find out more about us.

Thank you and Tashi Delek

Dorji Tashi
Executive Director



Capacity building for aspiring entrepreneurs

Every year, as part of the Loden Entrepreneurship Program (LEP), to provide equal opportunities for aspiring entrepreneurs all over Bhutan, Loden provides a two day crash course in a different part of the country. This year, the crash course was held in Samdrup Jongkhar on April 23-24, 2016. Through the training, the participants were introduced to the basic concepts of entrepreneurship, book-keeping, basic business management skills, marketing fundamentals etc.

The training was provided mainly to create

awareness among the youth about entrepreneurship and to encourage them to view it as a medium that helps creates jobs, and more opportunities for themselves. The participants were also exposed to the current employment scenario in Bhutan and the support that the government provides to aspiring entrepreneurs by two officials from the regional trade office of Ministry of Economic Affairs and the Ministry of Labour and Human Resources, respectively. The programme attracted a total of 47 participants.





Making Networking fun for the entrepreneurs

In a growing economy like Bhutan, it becomes imperative that the entrepreneurs work together, build up relationships and help each other grow. To encourage the entrepreneurs to build their network of associates and explore opportunities together, Loden held its first ever networking picnic in May, 2016. The event, held at the Royal Botanical Garden, Thimphu, was attended by about forty entrepreneurs, the management team and representatives from the relevant stakeholders. It was a good opportunity for the entrepreneurs to get together and talk about the issues and challenges

they face during day-to-day operation of their business. They also shared ideas, working together with one another to come up with ways and means for making the environment more stimulating for startups and for improving entrepreneurship in Bhutan. Apart from being a platform for the entrepreneurs to network and reinforce the unity among the entrepreneurs, the picnic was also a festive event where the entrepreneurs enjoyed participating in recreational activities including games, a karate demonstration and a lucky draw.





Student Entrepreneur participates in a global event

The Global Student Entrepreneurship Awards (GSEA) is a global competition for students who own and operate profitable businesses while attending a college or a university. This year fifty students from fifty different countries participated in the GSEA Global Finals that took place in Bangkok from 10-12 of May, 2016. Dorji Tshering, a student at Gaeddu College of Business Studies became the first ever Bhutanese student entrepreneur to

represent Bhutan in the GSEA. The printing and photocopying business which he runs within the college campus was funded under the Loden SEED (Student Empowerment through Entrepreneurship Development) program, and from this business he earns a net profit of at least Nu. 30,000 every month. Dorji has proved to be a source of inspiration to his friends in his community.

Scholars for 2016



To uphold the right to education for deserving children whose families need financial support and education guidance for higher education, Loden with help from generous sponsors has been able to provide funding to help meet their needs. The scholarship program for higher education was started in 2012 as part of the Loden educational programme with the backing of two Loden stalwarts, Anne and Gerard Tardy, who have been unstinting in their support for the programme.

This year Loden offered scholarships to five students who had excelled academically but were unable to pursue higher education of their choice due to their personal circumstances. The scholars were enrolled for higher studies in colleges in Sri-Lanka, India and Bhutan, where they took up courses in MBBS, BBA and Civil Engineering. Loden has about 94 children in different parts of the country studying under their child sponsorship scheme.

Meet a New Face

Seema Chhetri is the newest member to join the Loden family. A Bachelor in Business Administration graduate from Gaeddu College of Business Studies, and a dedicated volunteer with various local NGOs, Seema worked as a Banking Officer with the Bank of Bhutan before joining Loden Foundation as Resource and Communication Officer in May, 2016.





Dreams do come true!

For the 28 year old Jigme Tenzin, co-founder and Chief Executive Officer of housing.bt, it was a dream come true when attended the Global Entrepreneurship Summit (GES) 2016 held at Stanford University in California, as Bhutan's first-ever representative at this annual global event, hosted this year in the United States. The meeting was attended by eminent entrepreneurs such as founders of Facebook and LinkedIn, and investors from around 170 countries worldwide.

Jigme feels that Bhutan's presence at the GES has provided an opportunity and a platform for raising people's awareness of the capability of the Bhutanese youth if they are given the right kind of support at the right time. He was overwhelmed with the experience at GES and he felt that it was an extremely proud moment for him to represent Bhutan's rich cultural heritage

attired in the national dress, which also attracted a lot of attention and helped him in enhancing his networking circle and making connections with prospective investors.

Jigme strongly believes that positive attitude rules over intellect, as the people who were there attending the event were very motivated to be the change. He also said that he understood that the secret to success was to 'think global' as it does not matter how small a country is: at Silicon Valley the world's 7 billion population is anyone's market.

Housing.bt is an online real estate market place that acts as a medium for advertising and finding suitable residential and commercial rental space in Thimphu, Bhutan. They also provide building repairs and maintenance services. Visit www.housing.bt to find out more about their services.

“Locals in Paro pick up mushroom farming

Mushrooms, to some extent, are a dangerous delicacy. People have died for a good mushroom meal; some after consuming poisonous wild mushrooms and some from wild animals attack while mushroom-hunting. The best solution, some have thought, is to grow mushrooms at home. Karma Penjor started mushroom farming as a hobby. A former civil servant, he started growing mushrooms, while in service, for self consumption.

After he resigned, he set up a mushroom farm in Paro. Since then his farm has been doing a brisk business. He farms mushroom on a meter-



long oak tree logs kept inside sheds. Seeds are placed inside the logs and incubated for 10-12 months. “It requires a lot of patience,” said Karma. “Once you have inoculated the logs, we do not know if the mushrooms are actually growing inside or not.”

Karma harvests around 400 kilograms of Shiitake mushroom, every year. He sells them to local resorts and hotels, and makes around Nu 20,000-30,000 a month. He is now planning to grow mushrooms on sawdust which he says is a better alternative since it is difficult to get tree logs. Similarly, Kinley Tshering has also taken up growing Shiitake mushroom in his backyard. Like Karma, Kinley also started growing mushrooms for self-consumption. The yield from the first year was much more than his family could consume. He sold off the excess.

Since then, he has built two more sheds and commercialized mushroom farming.

Kinley said while the money is good, mushroom farming is also not as laborious as other farming. He started farming mushrooms about 10 years ago”.

-Bhutan Broadcasting Service, 19 May, 2016



Anil Chhetri
Frozen Desserts and Organic Fruit Juice
Phuentsholing



Damchey Lhendup
Bookmy Tour (Online Business)
Thimphu



Lam Chenchho
Bhutan HappyLand (Travel Agent)
Paro



Damber Singh Rai
Institute of Martial Art
Thimphu



Yeshi Tenzin
Environmental consultancy Services
Chukha



Financed Nine Projects through Loden-DHI Fund

Through the second round of Loden-DHI Fund, Loden has selected nine new entrepreneurs, taking the total number of Loden entrepreneurs from 2008, when we supported seven, to an amazing 106 to date! A total of Nu. 6.5 million was invested to finance nine new projects. The loan is completely interest-free and with no collateral requirement. The loan has to be paid back within three years after the grace period of six months.

The Director (Pro Bono) of the Loden Entrepreneurship Programme, Gerard Tardy said, “For the 9th round of selection the quality of business plans continued to improve and the competition became even more intensive. We received a good number of quality proposals and

were only able to support a few”.

With the increase in number of entrepreneurs, Loden hopes to contribute to the national goal of reducing youth unemployment and rural-urban migration, by making young adults independent and responsible thereby contributing to nation's economy in whatever small or big ways.

Among the selected projects were Online Ventures, Agribusinesses, Textile Design, Environmental Service Firm, Martial Arts Institute and Wooden Toys for Children. Today Loden has 63 projects outside Thimphu, of which 28 are run by women. The next round of calls for proposals for Loden-DHI Fund financing will begin in February, 2017.

Sonam Dolma
The Royal Yathra Boutique
Thimphu

Ugyen Wangmo
Tsem, Children Play Equipments
Thimphu

Kinzang Thinley
Book Distribution by Fresh view Bookstall
Gedu, Chukha

Sonam Tobgyel
Norbu kiwi and horticulture Farm
Punakha

New opportunities in a fast moving world



When the Loden Entrepreneurship Program was launched in 2008, it was a bold experiment, and it was wise to be prudent. There was little track record and the very idea of encouraging young Bhutanese to become entrepreneurs was often re-

ceived with polite scepticism. But after seven years of promotion, unstinting effort and steady growth, it is clear that an ever-increasing number of young Bhutanese are ready for the journey. The Bhutanese business environment is steadily becoming more open, vibrant and competitive. Worldwide new technologies are spreading very fast and the Internet and digital age is reaching Bhutan.

The Loden Entrepreneurship Program is ready to adapt to this new environment by becoming more reactive. From 2016, the program will be biannual, with selection exercises conducted in April and in November. Nine new entrepreneurs were selected in April this year and we expect to select around 12 more in November. Any aspiring entrepreneur who proposes to submit his business plan to Loden-DHI will receive faster feedback than in previous years.

This reactivity makes sense, especially in the world of Internet services. Over the years we have received a growing number of business plans based on internet services, and we have selected a few: housing.bt, BookMyTour, Bhutan Jobs (jobs.bt), to name most recent ones. We are also supporting entrepreneurs who help companies to access better Internet connections. You don't only have to be an Internet start up to envisage new business models.

As Pascal Cagni (ex CEO of Apple in Europe and India) explained during a very well attended

conference organized by Loden at the Thimphu TechPark in April 2016, the full impact of the digital revolution is often underestimated. It has only just started and all different sectors will be impacted: Tourism and Hospitality, Transportation, Media, Education, Health, Banking, and even Agriculture, Food and Environment.

A total of 150 young Bhutanese aspiring entrepreneurs were assured by Pascal that they have many opportunities in this new era. The cultural, ethical, and environmental assets of Bhutan have an increased value while the geographical or demographic limitations, which often curtailed past ambitions, are far less constraining in this new digital world. The key resources are quality of education, creativity and attitude.

Starting a digital company has never been easier and Bhutanese entrepreneurs can create and prosper. Small countries have no choice but to develop SMART solutions and to think internationally from the start. Relatively small countries such as Estonia or Israel have started global companies. An initiative named SMART Rwanda envisions to transform a landlocked African country into a hub for information and communication technology by 2020. And since September 2016, Bhutanese can now apply for business licences online and get them approved in a short period of time.

Loden is prepared to help entrepreneurs to embrace this new world. Not all projects will become Internet or digital-driven but all businesses will soon be impacted. This is an exciting new challenge.

The best way to predict the future is to invent it (Alan Kay).

Gerard Tardy
LEP Director (Pro bono)

Keeping up with the rest of the world; sign up for the Global Entrepreneurship Week

Loden Foundation will join the global community in observing Global Entrepreneurship Week which is scheduled for 14-20 November, 2016. It's an initiative to bring together international and national experts, entrepreneurs, thinkers and policy makers to celebrate entrepreneurship and help raise awareness of it. The GEW will provide an excellent platform for entrepreneurs and young adults to interact directly with investors, officials, policy makers and experts. It will also include an introductory session for aspiring entrepreneurs, where they will be trained on the basic concepts of entrepreneurship, business management skills, innovation and leadership etc.



If you are an entrepreneur or you are aspiring to be one then you should not miss the opportunity to participate in this event. Register now and book a seat by calling us at 02-332006 or by writing to info@loden.org.

Helping a child find his way



Given a chance, almost everyone is prepared to compete for a handful of (preferably civil service) desk jobs, however lowly, because they do not want to get their hands dirty. Interestingly, Phurba Tshering has gone against this trend, seeming to have envisaged his future as an Automobile Technician, perhaps due to ever-increasing numbers of vehicles.

Phurba Tshering, dressed in a standard uniform works happily on the bonnet of a car that he is

learning to fix. For this eighteen year old boy, a fresher as an Automobile Technician student at the Technical Training Institute in Thimphu, life wasn't always so easy. He lived with his mother and three younger siblings in a small and humble village in Bumthang.

His parents, both alcoholics, separated when he was studying in the fourth grade and his mother then had to take on sole responsibility for the four children. The road ahead for this young boy seemed daunting, but as luck would have it not for long, as in 2010 Loden stepped in to help, providing him with financial assistance to continue his education under its sponsorship program. There has been no looking back for Phurba since then and now he is pursuing his career interest in the automobile industry.

"I aspire to operate my own automobile workshop one day so that I can make enough money to support my three other siblings and my mother", says the young ambitious boy.

Want to make a difference? SPONSOR A CHILD!

It is said that humanity owes a child the best it has to give. For many children living in the remote parts of Bhutan, often faced with circumstances beyond their control, their basic rights to education are not fulfilled. Although they have access to free education, the families of these children are not able to afford basic necessities such as school uniforms, shoes, stationery and even the basic school fee of around Nu.300 to 500 per annum.

Every year with the help of donors, Loden has been sponsoring education of children from economically challenged backgrounds. Should



you yourself wish to help make a difference through sponsorship of children in this situation, Loden will be most happy to arrange this for you. Write to us at info@loden.org for more information.

Where there is a whisk there is a way

Sherab Tenzin started operating a bakery shop in Dechencholing in 2015 when he saw an opportunity to be the only baker in that small yet growing township about seven kilometres up the valley from Thimphu. Sampalhendrup Bakery is ideally situated to cater to the needs of people living in and around the locality.

Sherab had been keenly interested in baking from an early age, and prior to opening his own business he had already gained a considerable amount of experience working at bakeries, since many of his family members run bakeries in various parts of the county. Although he enjoyed working with the family members, he always aspired to have his own Bakery, with the freedom to operate the business as he himself saw fit.

It was not an easy decision to make but he knew it rested upon himself to turn his aspirations into reality. With the assistance from Loden, he was able to start his own shop in Dechencholing. Today his bakery sells a wide variety of freshly



baked cakes. Apart from providing his customers with good quality food with good taste at a very reasonable price, his pastries are free of bread improvers and artificial additives.



Pascal on New Business Models

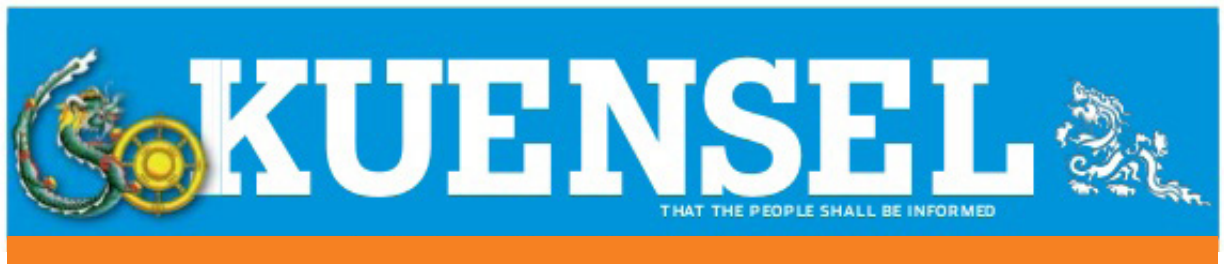
As part of our Loden Entrepreneurship Programme, the Loden Foundation and Thimphu TechPark co-organized a two-hour talk on 'New Business Models', a topic which is being increasingly sought after by entrepreneurs. The talk was given by Pascal Cagni, a prominent international business leader and investor best known for his management of Apple's European business from 2000 to 2012.

In his presentation, Pascal talked about how the digital revolution has made it much easier to start world-impacting businesses. Through the digital revolution, entrepreneurs are shaking up entire industries such as transportation, food and healthcare.

This conference was an attempt to inspire and motivate aspiring entrepreneurs. Even more importantly, adapting to new business models has become necessary, due to changing times and rapid advances in technology which are creating many new business avenues for doing business. Furthermore, in a small society like ours, role models are very important sources for gaining fresh insights.

It was an enriching and educational talk for which there was overwhelming turnout of 150 participants.





From farmer to maker of machines

In the village of Septokha in Baap gewog, Punakha, 44-year old Namgay is fabricating wood to be used for a machine, while his neighbours are busy working in the paddy fields.

The once busy farmer is today a local grain-sorting machine maker. Namgay is perhaps the first Bhutanese farmer to fabricate such machines. He was inspired to make one after watching videos of a wooden grain-sorting machine made in Thailand.

He started making the machines in February this year. He sells each machine for Nu 10,000. Although it is not a harvest season, around 40 farmers have already placed orders for next year.

Namgay said his grain-sorting machine is lighter and user-friendly and can be used for nine types of grains. Except for the gear, which he purchases from Kolkata, all the other components of his grain-sorting machine are handmade, he said. It doesn't need electricity to run.

Namgay initially started with



making wooden winnowers, which was introduced sometime in May 2015. Till date, Namgay has sold more than 50 winnowers. He sells each wooden winnower for Nu 6,500. Currently, he has received orders for 20 winnowers.

Namgay said his two products looks similar in shape, but unlike the grain-sorting machine, the winnower is solely used to separate chaff from rice.

Namgay started with two winnowers initially; a manual and an electric one, but his customers preferred the manual one.

He attributes the success of his small business to Loden Foundation, a non-government organisation from which he

received a Nu 500,000 loan at one percent interest.

"Since I didn't have money to start the business, I thought of giving up, but later I learnt about Loden and applied for a loan," he said. "My proposal was selected among hundreds and I received money, and that became a turning point of my life."

Meanwhile, Namgay said he is content and hopeful for the future of his business. His products receive praise from many including the agriculture minister when it was showcased during a business event in Thimphu. The minister even assured that the ministry would provide him with some support, he said. *-Kuensel (National Newspaper) 6 July, 2016*



Loden participated in GEC 2016 in Colombia

In furtherance of Loden's quest to learn from the best practices across the globe, the Executive Director participated in the four-day Congress in Medellin, Colombia which was fully funded by Kauffman Foundation, the co-host of the event.

During the Congress, various entrepreneurship workshops and seminars were held covering a va-

riety of topics, including mapping and measuring entrepreneurship ecosystems, creating an entrepreneurial mind-set and culture, enhancing early stage investment, catalysing start-up communities etc.

The global discussion will continue at the 2017 GEC to be held in Johannesburg, South Africa.



Simplicity a way to sustainability

As hordes of graduates flood the job market every year competing for a limited number of jobs that presumably would provide them with security and a sustainable way of life, no one thinks about going back home and working on the farms. Amidst these competitions and uncertainty, Sangay Jamtsho, a home-grown university graduate, decided to lead a life of simplicity, running a dairy farm in his village in Tashi Yangtse, eastern Bhutan.

Sangay is now happily settled on his farm with his wife who helps run it. He has six cows in all, three Jerseys and three Holstein-Friesians, the latter a cross-breed valued highly for its milk-producing ability. Sangay serves as a role model in his decision to return to the land for his livelihood, and his choice has motivated other graduates to embark on a similar route instead of competing for a handful of jobs. Sangay has plans to form a farmers' cooperative in his community in the near future.

