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e-FinLit

Towards A Financially Mindful Society



“Our neighbors India and China are experiencing unprecedented growth, propelled by technological advances in AI, Robotics, Automation, Big Data, Blockchain, Quantum Computers, and FinTech – Digital Currencies, Digital Wallets, Digital Banking.

The world is changing rapidly. We cannot afford to avoid what we don't yet understand, and hope for the best. Such an attitude will cost us our national objective of self-reliance.

We have to create economic opportunities for the next generation. It's time to recalibrate ourselves to succeed in the fast-paced world. The government, lawmakers, the private sector, the people, and experts in various fields must work collectively to chart out a clear economic roadmap for the 21st Century. This will help every individual and entity to understand their respective roles and work toward a common national objective”

– His Majesty's address to the nation on the 112th National Day (December 17, 2019)



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Fintech in Bhutan

The Internet and Television were introduced to Bhutan a year shy of the new millennium in 1999. One year later, mobile telecommunications was introduced in the country. That makes it a bare minimum of 20 years in accessing and exploiting the wonders and benefits of internet technology and the expanse of mobile telecommunications. Elsewhere, the world outside had already scaled what great heights there was to be scaled in various fields of technology-assisted development. The one upside to the delayed inceptions was perhaps the complete absence of panic created by 'Y2K' or The Year 2000 Problem. The reason of course being that Bhutan was only beginning to enter the periphery of all things massively tech-driven.

Call it a residual symptom of a late-bloomer, but it is not unnoticeable that every other thing has to be 'introduced' to the country, or introduced in the country—'introduced' being the operative word—like in the aforementioned services of mobile, television, internet; and likewise for roads, bridges, automobiles, telephones and the likes in the early developing years.

The introduction of and acclimatizing to the wave of possibilities in fintech or financial technology therefore begins on a similar footing—it was introduced—and currently the nation rides the tide making the most out of every service made available, to be efficient, to do more with less, manage time and resource better than was ever done previously. But just as the developmental stage is set by toeing the lines of its chief development philosophy – GNH; the life and times of fintech in Bhutan too would be viewed through a different lens, and measured by a different gauge.

Digitalization is covering its first mile yet, startup culture is only begun to take roots, innovation in technology is growing but it can do better to meet the proverbial horizon. There are obviously varied aspects to be fluffed and bolstered before every individual can comfortably come aboard and let the complete overhaul happen in how things are done or should be done; done in a fintech-empowered manner. Therefore, for now, achieving a billion dollar net worth for the Bhutanese fintech market or that of its constituents landing six-figure deals in foreign currencies is not the visible scene yet, and neither is it the immediate priority.

The things doable and demonstrating results like improved livelihoods of rural people because of fintech, innovative business ideas of young entrepreneurs coming to life assisted by fintech, the increased level of financial literacy across the general population aided by fintech – These and other similar aspects are what will be used to measure and grade fintech. When one and all are touched effectively, that is when we can say fintech is passing with flying colors.

Entering the development fray later than, most probably, any other nation after ending a longstanding self-imposed isolation era was a boon for Bhutan. In that it was a period when Bhutan was able to hold its own as a country by solidifying a unique identity for itself in culture, traditions and every other aspect of carrying forward daily life. The world outside at the time was seemingly riding the globalization bandwagon called 'melting pot' wherein every other culture was beginning to wear the likeness of some other culture in the name of globalization. Fading into a 'common' background was definitely not a good idea for a small landlocked country.

That is the back story to which Bhutan reflects upon time and again. It's a brave new Bhutan though that currently pushes through every day. Development in all respects is fully embraced to better the nation, achieve progress in economic development which ultimately rewards nation and people by way of better livelihood, health care, communication and infrastructure.

Sonam Pelbar,
Editor

Bhutan Crowdfunding



Wings for ideas

Bhutan Alternatives and Himalayan Food are the first and second to raise funds through the Bhutan Crowdfunding portal. They have become shining examples for all others in the startup pool as the first to do it, successfully do it. Their success and the other successes that will follow signal a positive development for the country's economy—more and more in attempts to make a dynamic shift toward a market economy. These developments are also a plus for the Fintech scene currently buzzing with activities to showcase its healthy growth.

Bhutan Crowdfunding portal is an initiative of the Royal Security Exchange of Bhutan (RSEBL). It is supported by the RMA and licensed to operate the first crowd-funding portal under the crowd-funding rules and regulation 2019.

Crowd-funding is the process of solicitation of funds in small amounts from multiple investors through a web-based platform (crowd-funding portal) or social networking sites for specific projects, business venture or social causes. The portal facilitates start-up or early-stage business and CSIs in Bhutan to raise money through issuances of securities (equity), donations and rewards.

People, if they have a running business, or if people they have a prototype which they want to scale it up, then they can approach the RSEBL with an application. The office helps them design the offer document, the financial projections, then accordingly after fulfilling the criteria, they will be vetted on the business idea. On the basis of all that the office uploads the businesses or ideas on the crowdfunding portal.

Crowdfunding is an example of Fintech in action, of how the platform uses technology to improve financing. All details and information about the company or companies are uploaded on the web portal and accordingly, investors will invest online. After a successful campaign, the company in question has to update to their investors about the company's status semi-annually or annually.

As per the RMA, the portal will have eligibility criteria to take right over crowd-funding. It will be given to companies producing indigenous products and those which work toward the country's sustainable development goals.

Since startups are untested in the economy, officials say it has become the responsibility of the RSEBL to protect investors and ensure success. This is one reason why the stakes are small, that is, investors in crowdfunding suffer least shock if the business fails because the size of investment is also small. From a macroeconomic perspective, when small companies scale up, the immediate impact is on the employment generation. Subsequently, there would be demand creation and through the revenue and taxes, it will contribute to the fiscal balance of the government.

Measure of success – cartridge by cartridge

To start from scratch, or scrap, in this case; slowly see things take shape part by part, to become a business establishment, with huge growth potential no less that it convinced 41 investors to stake an investment — is truly a shining example of patience and perseverance. Nobody has ever really waited patiently, to see if a billion drops really make an ocean. But Leki Dawa comes close. To put it straight, let's say, he did it cartridge by cartridge.

Leki is 38 years old and has a diploma in civil engineering. He started Bhutan Alternatives (BA) with fund support from the Loden-DHI foundation in 2015. Saying 'patience' is one thing, but matter of fact seeing it through is quite another. Like how Leki and team collected waste printer cartridges—one by one—from different locations all spread out across the country. And 22, 800 cartridges later in a span of four years, It refurbished and supplied/sold 20,000 printer cartridges across the country. Not very distantly, in August last year, BA raised Nu 8.3 million through the RSEB crowdfunding portal. The e-waste-managing, so called eco-friendly company is now worth more than Nu 20mn.

Upbeat times, upbeat plans

BA was listed in Bhutan Crowdfunding portal after two weeks of comprehensive discussion and review from the RSEB review team. Forty-one investors, invested in the company through Bhutan Crowdfunding. They now hold 30 percent stake in the company. The Bhutan Crowdfunding portal is an initiative of the Royal Securities Exchange of Bhutan (RSEBL) that focuses on solicitation of funds from multiple investors through a web-based platform for a specific project, business venture or social cause.

With this upbeat development courtesy of the crowdfunding portal, BA plans to produce around 10,000 products every year. Earlier production was always capped at 5,000 per year, give or take. Currently, the company has 20 employees working from different parts of the country.

BA plans to upgrade its technology to improve product quality. When that happens, plans are to not only supply within the country, but expand to the SAARC regions. Next, the BA eyes are set on making it to international markets.

In four years Bhutan Alternatives has collected close to 30,000 end-life cartridges and sold more than 20,000



The BA motivations

The e-waste management company looks at the three spheres of employment, environment and economy as its motivation. And so far, it has covered fair grounds in all three.

Employment: The company currently employs some 20 youth working from different dzongkhags of the country. Most of these youth are from humble family background wherein they are also out-of-school youths. A youth group from the eastern, central and southern part of Bhutan is engaged in collecting the e-wastes. BA pays these youth after it collects the e-waste from them.

Economy: The imported cartridges costs about Nu 5000, going up to a maximum of 6000. The BA refurbished products go for Nu 700 to 800.

Environment: E-waste is a mounting problem, quite literally. BA's efforts in recycling and preventing loads of printer cartridges from being dumped harmfully and irresponsibly is a nod in the direction of environmental protection.

Challenges vs. Solutions

Safely said highs and lows are bound to cross paths while operating any trade. Many challenges greet you in the beginning and then one or two sticks throughout the journey. While BA is presently scaling the upward graph, the scene is not entirely problem-free.

Leki says one of the major challenges is finding a good market. He adds: "...not only for us but also for all other entrepreneurs to sell our end product."



Himalayan Food is the second startup to successfully raise funds on the Bhutan Crowdfunding platform

Upping the chips with Himalayan chips

Startup culture has begun in the country. But for those who will be recalled down the line as the first men and women who toed the line in fluctuating circumstances, they are currently going through the motions of the fabled growing pains.

CEO Dorji Phuntsho of the Royal Security Exchange of Bhutan (RSEBL) had this to say of the startup Himalayan Food that became only the second to raise funds through RSEB's Bhutan Crowdfunding portal: "It is a historical breakthrough for a startup to transform into a formal corporate culture from a sole proprietorship."

Ready, set, Fly

Startups are a flourishing culture elsewhere. In the country, it is only growing its roots. And so, for Bikash Gurung and Tshering Dorji, the chips were always down while chumming the waters of the startup ocean. But not for too long. After winning a business idea competition and availing PSL funding, Bikash and Tshering, they literally upped the chips by starting Himalayan Food. After that, one might say angels helped to push the business further. Angel investors through the Jabchor platform of the RMA injected a much needed boost by pumping Nu 2.5 million to the earlier received Nu 4.3 million PSL funding-with which things were sustaining.

Quite recently in December last year Himalayan Food successfully raised Nu 4.5 million through the Bhutan Crowdfunding portal. It is the second startup to do so after Bhutan Alternatives. That has surely changed the boys' opinion in the beginning about how no one fully trusts a startup to risk an investment. Now, about 45 percent of the stakes are subscribed by institutional investors and individual investors hold the remaining 55 percent. To break it down, public owns 450,000 or 18 percent of the shares at face value of Nu 10, amounting to Nu 4.5M.

Things are looking up

Himalayan Food produces agro-based snacks mainly potato crispy chips and banana crispy chips. Production raw-materials are gathered from local farmers. Also, the company food production is overseen by skilled technicians and a chemist to maintain quality down to the packaging stage. The products have been doing well in the Thimphu and Paro markets. The boys have wind beneath their wings now, and they did always want to expand their reach.

Plans now are to diversify into producing more premium products such as fruit-based vacuum freeze fries and nut-based products. Direct integration with Bhutanese farmers is high on agenda. Himalayan Food wishes to create a market for the Bhutanese farming community. This would add value to local naturally grown agricultural products. The goal is to focus on import substitution and enhance export of processed food.

Meanwhile, works are on simultaneously on getting International Standards Organization (ISO) certification. This will complement their ongoing efforts to enter the export markets.

It starts with an idea

Bikash and Tshering began with nothing but ideas. They narrowed it down to one workable idea and drove it forward. Passion is an essential ingredient for dreamers, as is the will to do. This dreaming duo 'with an idea' got wings with financial support.

"We will keep our commitment for all times to come; to work hard for the successive growth of our business and help the farming community." – A promise from the dynamic duo.



Michael Rutland is the first Honorary Consul of the United Kingdom to Bhutan. He received the National Order of Merit, Gold from His Majesty The King in 2017 during the 110th National Day and has served as the Royal Tutor to His Majesty the Fourth Druk Gyalpo when he was the Crown Prince. He helped set up and taught at the Ugyen Wangchuck Academy in Paro. He also worked for the UN in Bhutan as a short term expert in technical and vocational education.

Q. In the journey of development, Bhutan is a late entrant, making a start only in the 1960s. As an individual who has witnessed first-hand, some of the early development scenes, please share with us some instances of Bhutanese economy at the ground-up and freshly placed at the Starting point.

A. I first lived in Bhutan in 1971. There were no Ngultrums in those days. The only currency was a small silver-colored coin called a ‘Tikchung’worth half a Rupee. I would receive my monthly salary in bags of these small silver-colored coins delivered by jeep to my house in Paro. But in 1971 not many people in Bhutan bothered about money, because most of the economy was based on ‘BARTER’ the exchange of goods. For example, if I wanted some rice I would find a farmer with rice fields, and I might exchange a lump of butter for a bag of rice. Taxes to the Government were also

paid in goods and produce. Your wealth was dependent on how good a farmer you were. One benefit of the barter system was that it discouraged ‘greed’. There was no point in demanding TOO MUCH butter, because after a time it would go bad. You had to think about how much butter you really needed for your family before it went bad. But then came MONEY. The Bank of Bhutan was founded in 1969 but the Ngultrum was created only in 1974. With the Ngultrum (which was divided into 100 Chetrum – who uses a chetrum today?) came economic development and the five year plans, which of course would have been impossible in a barter economy. One consequence of the introduction of cash into Bhutan’s everyday life was that you could try to acquire as much cash as possible, because (unlike butter) you could always save it in the Bank and use it for a shopping trip to Bangkok! Or buy a Landcruiser. On the other hand, monetization has enabled

development of education, healthcare, communications and social welfare to a level unimaginable in 1970.

Q. When it comes to financial literacy, it is generally viewed that majority Bhutanese, young and old, are found lacking. In your opinion, how has this graph progressed, then and now? How important is financial literacy for everyone?

A. Given the relatively recent introduction of a cash economy in Bhutan, it is not at all surprising that people at every level, rich and poor, rural and urban, farmer and civil servant, are not very wise or experienced in the management of money. A University Degree does not confer financial wisdom – it often does the opposite!! The general tendency is to ‘earn 1,000Nu and spend 1,100Nu. Along with the wider world contacts of Bhutan has come increased temptation to spend money ... the first action of young person getting a job is to buy a car and then a bigger car! And look at all the expensive ladies cosmetics shops in town. The fairly easy availability of loans has upsides but it also has very big downsides. It’s too easy to borrow the money to buy the bigger car without fully understanding the long-term commitment of repaying the loan. And a classic example of poor financial literacy is to sell land, whose value increases over time, to buy a car, whose value rapidly decreases over time! I believe our banks might have shown a greater sense of restraint in the giving of consumer loans, and shown greater awareness of the peoples’ limited understanding of financial management. From these comments, from my comments you will certainly understand that the RMA, The Banks, the Education Sector and our civil society have a great responsibility to educate the whole population in financial literacy, and I’m pleased to see RMA taking a lead in this. As Bhutan suffers the economic consequences of the Corona Virus, our financial literacy may be severely tested.

Q. In keeping with realities of the changing times, how do you perceive the need to take Financial Literacy to the youth early on by weaving them into school curricula?

A. The inculcation of financial literacy is not solely the responsibility of the education sector. A far greater influence on young people will be the examples set by their older family members, and their seniors in general. To see father or mother buy a big new luxury car by

selling a plot of family land will be a far greater influence on a young person than any number of lessons taught in school. So financial literacy needs to be taken to today’s generation of parents ... and older brothers and sisters. But of course education does have an important part to play. History lessons are a good vehicle Far too little attention is given in the school curriculum to Bhutan’s history of the last thirty years, in which there are so many lessons to be learned about our national finances and economy. How many young people in school have heard of the rupee crunch, and if they’ve heard of it do they understand it? Do they understand how it affects them as individuals? And mathematics lessons are another good vehicle, provided they bring the theory into real practical examples, such as showing how much it actually, really, costs you to repay a 10 lakh loan over fifteen years. In fact understanding the concept of ‘money’ makes quite sophisticated demands on the brain, but it’s essential. English, Dzongkha, EVS, are other examples of where basic and simple principles of financial literacy can be illustrated and reinforced. Childrens’ stories too are a good vehicle for influencing the mindsets of younger children. MeMe HeleHele would have benefitted from more financial literacy!!

Q. FinTech or Financial Technology is sweeping over the global economy. Bhutan too has made various efforts to reel in the benefits. Please share your opinion on the kind of progress and impact it has made.

A. Fintech has brought many benefits to Bhutanese all over the country. I’ve just renewed my car insurance from my living room with my mobile phone. Brilliant, and very efficient and easy to use. Therein lies one of its problems.....it makes it very easy to spend money!!! The internet presents many irresistible temptations to spend money on an impulse purchase using your Visa card! So the introduction of Fintech makes it even more essential that the population in general have a good understanding of how to manage their finances. On the other hand, modern banking applications make it easier to see how we are spending our money, and if used properly make it much easier to make a monthly expenditure budget and see how we are keeping to it. Here schools, and indeed banks, can and should play an important role in showing young people how banking applications can be used not just to spend money, but to control your expenditure as well.



In an era of climate change, world nations are all braced to mitigate incoming and prevailing impacts. Green finance has come up as a financing mechanism to support environmental protection aspects in various ventures undertaken by companies

Of the green, for the green, by the green

In the scenario of every nation standing up to climate change in their own ways; to mitigate its impact and enforce what possible measures there be, to keep at bay the distant but potential effects, 'green finance' is the fairly new catchphrase doing the rounds among global communities. Green finance refers to the provision of financial services for climate action and related projects.

Climate change showing no signs of letting up, the growth of green finance seems certain to continue as most governments worldwide focus on how to cut pollution and greenhouse gases and more regulators require companies to disclose climate-related risks—leading to more data showing which companies are most exposed and better insight about how to make money while saving the planet.

Bhutan is of course, not sitting this one out. If anything, Bhutan may have always had the concept and the motive pegged down solid, long before 'green finance' popped up as a popular and catchy header through which investment avenues are opened up to finance sustainable development that protects/conserves environment, and yes, address climate change.

Here's proof of statement: Environmental clearance is one chief criteria to meet for all individuals availing loan from financial institutions. This ensures that the nation's strong conservation policies are flowing throughout the veins of all activities/business being operated by each and every individual citizen. Through this, the nation as a whole is able to stay dedicated within the consciousness of the GNH-driven environmental pillar following strong principles of environmental protection.

Green Financing: Green financing is to increase level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities. A key part of this is to better manage environmental and social risks, take up opportunities that bring both a decent rate of return and environmental benefit and deliver greater accountability.

Sustainable Development Goals (SDGs) and Green Financing: UN Environment has been working with countries, financial regulators and finance sectors to align financial systems to the 2030 sustainable development agenda – to direct financial flows to support the delivery of the Sustainable Development Goals. At the core of today's globalized economy are financial markets through which banks and investors allocate capital to different sectors. The capital allocated today will shape ecosystems and the production and consumption patterns of tomorrow.

Some of the main areas for green financing are: Supporting public sector on creating enabling environment; Promoting public-private partnerships on financing mechanisms such as green bonds
Capacity building of community enterprises on micro-credit

Courtesy: *unenvironment.org (UNEP)*



Green finance & Bhutan

Nonetheless, the country's central bank, the Royal Monetary Authority of Bhutan (RMA) is presently on a set path to chart a developmental roadmap on green financing. The RMA is doing this by creating tools and criteria; identifying key stakeholders and establishing monitoring, supervision and assessment structures for the country's financial sector. The roadmap will have strong Inclusive Green Finance (IGF) elements wherein RMA will provide all necessary resources to develop it within the year. Inclusive green finance is all about how financial regulations can enable financial inclusion that builds resistance and mitigates climate change. The forthcoming roadmap looks to be conceived for easy understanding to reach out to the widest of audience across all levels—from governors to financiers and even borrowers—emphasizing that banks can contribute significantly to green initiatives. When such a plan comes together, it means that everyone gets to play their part in ensuring environmental protection and sustainability.

Rolling out the green carpet

After announcing its green intentions (with green finance), Bhutan did not sleep on it, to make the next move. The RMA co-hosted a Joint Learning Program (JLP), in January from the 20th to the 23rd. The three-dayer was co-hosted with the Alliance for Financial Inclusion (AFI), a member-owned network and a leading organization on financial inclusion policy and regulation in the world. More than 70 participants attended the program on inclusive green finance. It comprised RMA Bhutan staff, local financial and non-financial institutions and government agencies. Also, international experts from Bangladesh Bank, the National Bank of Cambodia, Nepal Rastra Bank, Central Bank of Sri Lanka and the Bank of Thailand made up for the highly international gathering that shared insights and experiences in this emerging policy area of green finance. The Central Bank of Seychelles, was also present throughout the JLP as an observer.

“Environmental clearance is one chief criteria to meet for all individuals availing loan from financial institutions. This ensures that the nation's strong conservation policies are flowing throughout the veins of all activities/business being operated by each and every individual citizen.”

With green finance in the picture, banks should have strong schemes and products to understand (green) activities, how to finance them while also being resilient in terms of the sustainability of finance.

The positivity of green finance

With regards to climate change and environmental preservation, there are many initiatives in action at the national level in the country. However, conservation involves expenditure. And so, having a strong green finance component will further strengthen the country's steely resolve. Inclusive green finance will contribute to make operations more efficient, protect people better from the effects of climate change.

Greening schemes from the RMA

The RMA is coming up with a framework to engage banks toward lending to environment-friendly projects. It will take the lead with AFI's endeavor to develop a common framework which can be followed by all member countries. According to RMA, Bhutan is way ahead of other countries in terms of pursuing inclusiveness as well as green financing.

“In the modern era, everyone must play their part in ensuring environmental protection and sustainability,” says RMA Governor Dasho Penjore, putting the spotlight on the Green Finance Roadmap.

Environment is protected/conserved – check. It syncs with the country's GNH philosophy – check. And, it ensures the long-term sustainable development goals – check, check and check. All things considered: there is absolutely no room for holding back a ‘Green signal’ from the drive to push green finance forward.



The philosophy of Gross National Happiness (GNH) is fully aligned with evolving investor and corporate mindset

Impact investment & Bhutan

Bhutan is increasingly in the midst of developments that strategically positions it to transition from a subsistence economy to a market economy.

With a flagship program launched in its name, the cottage, small and medium industries (CSI) is the focus of the current government. The Bhutan Economic Forum of Innovative Transformation (BEFIT 2019) was carried out with the theme ‘catalyzing CSI to drive economic diversification.’ The BEFIT is a national undertaking to put in place necessary reforms. Take for instance the need for enabling regulatory environment – it is most crucial to nurture drive, innovation, and technology; improve market access and enhance access to finance; all of which naturally spills over to promote entrepreneurial culture, which is just yet seeing its budding stage.

Points in favor of Bhutan

The country certainly cannot be eyeing the big chunks in the half a trillion dollar-worth impact investment financial market, or the 30 trillion dollar-worth sustainable investment avenues. What it has though is – Only forward to go, and progress to be made. And it isn’t actually making a leap of faith. In all of its home-grown qualities and most of the adopted qualities, Bhutan has some favorable factors operating to its advantage.

Globally, CSIs are becoming more and more the mainstream financing target. Bhutan is said to be favorably positioned to reap the benefits. That’s one. And two, the philosophy of Gross National Happiness (GNH) is fully aligned with evolving investor and corporate mindset. And three, the country’s population is heavily youth. The median age of Bhutanese is 27 and the demography is heavily tilted toward a generation of

Impact investing: The term Impact Investing is a fairly new concept, appearing only around 2007. It defines a commitment to measure social and environmental performance, with the same objective that financial performances have. It is said to be a subset of sustainable investing. Sustainable investing is an investment strategy which seeks to consider both financial return and social/environmental good to bring about positive social change. It is called by various names such as socially responsible investing (SRI), social investment, sustainable socially conscious, green or ethical investing.

Impact investments provide capital to address social or environmental issues. The investments made into companies, organizations are done so with the aim to generate beneficial social or environmental impact alongside a financial return. Impact investing is different from crowd-funding because impact investments are typically debt or equity investments with longer-than-traditional venture capital payment times—and an "exit strategy" (traditionally an initial public offering (IPO) or buyout in the for-profit startup sector) may be non-existent. Although some social enterprises are nonprofits, impact investing typically involves for-profit, social- or environmental-mission-driven businesses.

The Impact Investment industry: The number of funds engaged in impact investing grew quickly over a five-year period and a 2009 report from research firm the Monitor Group estimated that the impact investing industry could grow from around US\$50 billion in assets to \$500 billion in assets within the subsequent decade. Such capital may be deployed using a range of investment instruments, including equity, debt, real assets, loan guarantees, and others. India is emerging as a major geography for impact investors according to consulting firm, McKinsey, with over \$1.1 billion already invested as of 2016.



millennials. The CEO of impact advisory and finance department at Credit Suisse, Merisa Drew in her keynote address at the BEFIT 2019, said this demography is “heavily skewed toward millennials, who think businesses should go beyond profits to improve society.” This would drive CSI growth while solving problems related to environment, social and governance. CEO Merisa is recognized by the BBC as one of the most powerful women in Britain and Fortune Magazine named her among the Top 50 Most Powerful Women in International Business. According to Credit Suisse’s global next generation report, millennials perceive corporate purpose as to improve, educate, inform and promote wellbeing of society, generate jobs and protect the environment besides profit.



Bhutan’s identity as an environmental champion and its enduring drive toward sustainable development is another factor working in its favor. In the fast-mushrooming world that is impact investing, it is not only the investors but the corporate world as well, making a dramatic shift in their mission to solve global challenges sustainably. There are more than 2,000 signatories to UN principles of responsible investment accounting for USD 85 trillion. Clearly, Sustainable Development Goals or SDG has become the language of the world. The 17 SDGs, have identified the biggest problems of the world, and for the public and private sectors, investors and entrepreneurs; these goals are a must-use to attract investments.



The median age of Bhutanese is 27 and the demography is heavily tilted toward a generation of millennials. This demography thinks businesses should go beyond profits to improve society

Near Field Communication

When users were comfortably familiar with the paper voucher way of recharging mobile accounts, ‘e-load’ came along as the new way to do the same. Deprived of the touch and sight of how paper vouchers refilled their accounts, people’s initial apprehension was evident in how they would wait around the vendor’s stall till they heard the awaited ‘ding’ on their phones confirming receipt of their money’s worth of recharge. Now that users are in the thick of things more complex and technologically advanced, the likes of instances aforementioned becomes a faint memory of things distant in time. However, technology is an entity that leads from one to another, and seemingly sees no end. Newer inventions are always on the way to disrupt the status quo, but of course, to make life easier, do work in more efficient and better manners, do better work. People need only adjust... acquaint.

Let’s talk of one such thing; it’s called the Near Field Communication (NFC) technology. You can currently see it in action when you enter institutional buildings by using security scan cards, making payments at the market with your smartphones etc. It is also used to issue those electronic bus ticketing systems currently making headway in the country. At present—in the country—NFC is largely used in payment and data transfer apps. However, NFC has a wide range of use through various applications that make work and life easier.

What is NFC?

NFC stands for near-field communication and it allows phones, tablets, laptops, and other devices to easily share data with other NFC-equipped devices. It evolved from radio-frequency identification (RFID) technology. NFC is very much like RFID, but limited to communication within about four inches, which is why users have to hold their phone close to the contactless reader. Most people consider NFC’s small radius a major security benefit, and it’s one of the reasons that NFC has taken off as a secure alternative to credit cards.

How does NFC work?

Unlike Bluetooth, NFC doesn’t require any kind of manual pairing or device discovery to transfer data. With NFC, a connection automatically starts when another NFC device enters into that four-inch range. Once in range, the two devices instantly communicate and send prompts to the user.

Mobile payments: Placing your smartphone within four inches of the contactless reader in a store will prompt your digital wallet or passbook to pop up and ask you to confirm payment. With Apple Pay, this



means placing your finger on the home button, which houses the Touch ID function or scanning your face with Face ID. It also works with Google Pay and Samsung Pay.

Sharing between Android devices: When two enabled NFC devices are in range, a prompt will appear asking if you’d like to “beam” whatever content (videos, contact information, or photos) is on-screen to the other Android device.

NFC Chips: These passive tags don’t require power and can be programmed with apps like Tasker to perform certain tasks when scanned. For instance, you can put one on your desk and with a quick scan on the tag, you can set your phone to vibrate, disable GPS, or enable only work-related notifications, among other options.

Which devices have NFC?

Lots of Android devices have NFC, and every iPhone since the iPhone 6 is also packing the feature. NFC was also added to the iPad range starting with the iPad Pro, the iPad Air 2, and the third-generation iPad Mini, but those devices won’t work with in-store contactless readers.

What else can NFC do?

Apple Pay, Google Pay, Samsung Pay, and other digital wallets are just part of what NFC can do. Many tech accessories, like speakers, take advantage of NFC to quickly pair with your phone. In some places, people can also use their NFC-enabled smartphones to board trains or subways faster, and keep track of how many trips they have left on their digital ticket. It can also be used for loyalty cards.



To sell Bhutanese worldwide

Local entrepreneurs wishing to go global. People wishing to visit Bhutan to buy Bhutanese products. What's the common factor? It's of course 'the wishing.' But if you see it from a different side, then the common denominator happens to be 'action.' Without making the move, local entrepreneurs remain local. People wishing to visit Bhutan might come to Bhutan, might cancel the idea.

There's an up-and-comer called Druksell. It's the country's first e-commerce business put in place in 2013. It just happens to build on this same approach, only, it went one step ahead and built an e-commerce platform where all this talk of buying and selling Bhutanese could happen just by sitting in front of a laptop/computer or by just scrolling and swiping on the hand-held smartphones.

The Bhutanese Amazon

Yes, Druksell is something like Amazon, the global online shopping giant, and it aims to be just like it over time. Sonam Chopel, the young and raring-to-go individual is the man behind Druksell. And, he just happens to heavily idolize Mr Jeff Bezos. But Druksell is a Bhutanese brand, evolving amid prevailing conditions-favorable or unfavorable-in Bhutan. It has to take into stride the state of infancy that e-commerce still remains in for the country. That being said, Druksell's charted mile is seemingly in its best interests. Druksell believes itself to be a brand built from Bhutan's people, products made in Bhutan, and how it has been able to evolve the brand over time.

In the beginning...

Sonam started out an artist, a designer and a wanderer. He also had a brief stint being a government man, keeping a regular job. But, as he puts it, he "felt unfulfilled" in rowing his life through a time-tabled 9 to 5 humdrum and honoring the formulaic monotony day in, and out. He tried pursuing his creative passion and even tried selling his works and designs. This helped to build confidence in doing what he loved. But there was still, a hole in the soul.

In came the 2000s, and suddenly Sonam met his destiny, the internet (that's how he puts it). All the world of possibilities, and mainly the element of how many people he could communicate with just a click of a mouse gave him the idea of wanting to sell his products



to people near and far, using the internet. "I could connect with people around the world. This opened my eyes, and I thought people who would buy my works were on the other side of this world."

No time to lose

From what he learnt and knew about internet, websites and business, Sonam started creating an online platform to sell his products anywhere, anytime and receive payments. "I decided to give it a go by learning about business, e-commerce, reading books about Jeff Bezos and how he started Amazon, and even started school again to learn business," says Sonam.

In 2013, he started, the first online Bhutanese store Druksell and tested few products. Druksell landed a first sale amount of USD 250. Excited that Druksell works, he added more products. The internet may operate at the speed of light, but business, it moves the way it chooses to online or offline. Sometimes, products got sold out completely, and sometimes none at all. All was not lose-lose though. Over the years, Druksell slowly engaged more suppliers, entrepreneurs and CSI products from Bhutan.

Today

Druksell, is potentially headed to be the largest online marketplace in Bhutan for export products globally. It will soon launch its new brick and mortar experiential concept stores to complement its online web market. It will open in several locations throughout the country in the next couple of years. Plans are to create a vibrant supply chain systems of products and logistic movement in the country and to operate warehouses using technology for both import and export.

Sonam says: “There is more to Druksell than simply driving the business forward today, it’s a belief strongly shared by our core team and partnerships (inclusive of 50+ suppliers). I feel this makes a difference in building our brand.”

Let’s talk merchandise

Druksell products include those made in Bhutan. Its main goal is to put Bhutanese products online and out there. Products are considered if it’s made in Bhutan or grown in Bhutan, if it has favorable impact. Things such as certifications, good packaging or any other value additions are also considered.

“As Bhutanese, we now have the capacity to market our products ourselves and not rely on external help and support. We are really for taking care of our own products and ensuring that we as Bhutanese can get the job done,” says Sonam.

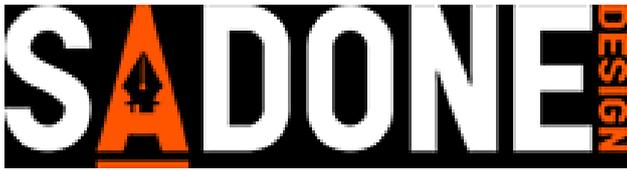
Experience teaches its lessons

Over the years, Sonam learnt that what connects with people is not what you’re doing, but why you you’re doing. That way he says Druksell is a culmination of stories, a manifestation of putting heart and soul into something and being able to drive it forward to reach our dreams.

Says Sonam: “Nothing is easy, we always had a hard journey and we have many times failed and become familiar with it, but we have learnt to get up and start all over again We are self-made and against all odds, driven dreamers. We as a team use our hearts, minds and grits to get things done.



**Druksell is the first e-commerce
business in the country**



Sadone Design: Fueled by culture, powered by design

The hero is not much of a hero, if he steps out of his own story. Then, he becomes an observer watching his own story unfold without him in it. Well, that's not much of a story then. The belief is strong, culture cannot be preserved by acting out of culture; you have to be in it at all times to demonstrate it. The winds of change are blowing, and culture can be preserved embracing new media. Sadone Design, a culturally driven graphics design studio is proving this point in every work it showcases.

Designs mindful of future

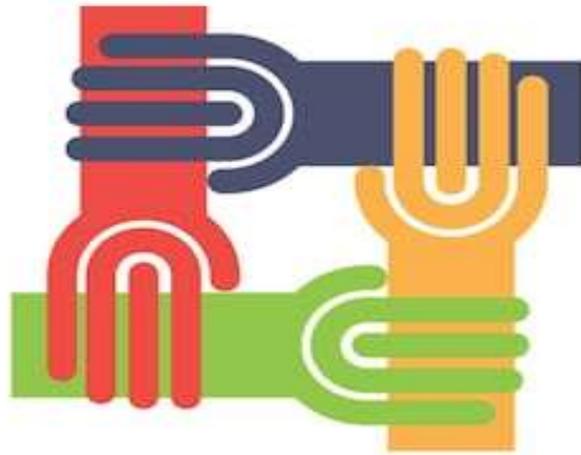
Designs that make sense in the present, but still matters in the future. It's a good line, and one that Sangay Nedup's Sadone Design is taking to heart while working on one and all of its design works.

Sadone design has been into market for one and half year and been working on 6 major design genre such as, visual identity, marketing & ads, publications, environmental, arts & illustration; and label and pack. It has collected over 150 regular clients.

All of the studio's products are historically sourced from traditional arts but with the help of graphic design. Founder Sangay is confident when he says no designer in the country or from outside ever came to leverage the artistic skills using ancient art and giving rise to new products. Simply put, the mode of operation is to blend modern technology with ancient art in producing beautiful souvenirs. The studio manufactured 15 modern Thangkas in its trial phase and saw it sell effortlessly in less than a week. Encouraged by the reception, it made more of it and also diversified production into different souvenirs. The line of products besides Thangka/Kuthang showcase T-shirts and Flooring materials.

The experimental results assured that this approach can efficiently generate beautifully layered Thangkas which significantly reduces the time and efforts in manual production and, more importantly, contributes to the digitization of the nation's great heritage.

"Our business would be directly promoting the knowledge of traditional artisan skills," says Sangay.



Future plans

The design studio is looking for new ventures in line with graphic design. It aims to focus in arts and illustration and make it into product form rather than the services. Sadone plans to make products like Thangka/Kuthang, portrait of kings and Queens, Landscape art, and the dzongs.

Throwback in lessons, and gratitude

Sadone design has been around for close to two years now, and it continues to work on bigger and better ideas staying in line with its vision to promote and preserve the rich Bhutanese arts and culture with modern technology that harmoniously weaves itself into traditional Zorig-chusum way of doing things.

But times, they are smooth only because somewhere along the way there were a few rough patches (to compare it with). Sadone Design has its own to speak of in the past, when progress didn't at all seem to be in the favorable direction. The design studio had been struggling to stand out amongst competitive designing businesses. Random logo and web designing proposals were all that came its way. And it wasn't enough. Sangay was not without innovative business ideas or funds though as he had receive PSL funding too. However, it was not enough to even buy designing kits.

And that is where recounting gratitude comes in. Through the RMA-initiated Jabchor platform of Angel Investors, Sadone Design received a timely bailout with angel investor Kuenzang Dechen investing 2 million for 30 percent equity ownership in Sadone design. An angel investor is an affluent individual who provides capital for a business start-up, usually in exchange for convertible debt or ownership equity. Angel Investors are localized as Jab-chor. A partnership deal was signed between the two sides in July last year during the Season 2 of Jabchor platform.

DRUK GI KALAPINGKA SEASON 4

Main event sponsor Royal Monetary Authority

They say, learning comes easy when it is fun. In that case an education in financial literacy should be an enjoyable experience, one that is just music to the ears. Druk Gi Kalapingka, a singing show on television has made its current edition of Season 4 all about educating and promoting financial literacy. In its scheduled duration of about two months, elements of financial literacy, financial operations and functions of various financial institutions are showcased in the course of the singing competition programs. With FinTech ascending as a most potential factor in complementing growth of the country's economy and its imminent shift toward a market economy, intricacies of crowdfunding, Jabchor (Angel Investors), PSL also features among the various segments of the show.



Week 1 (Episode 1&2)

- ✓ Brief introduction on financial literacy (overall)

Week 2 (Episode 3&4)

- ✓ The roles and functions of RMA
- ✓ Security features of currency

Week 3 (Episode 5&6)

- ✓ Banking products and services

Week 4 (Episode 7&8)

- ✓ Insurance – Royal Insurance Corporation of Bhutan (RICBL) & Bhutan Insurance Limited (BIL)

Week 5 (Episode 9&10)

- ✓ Micro Finance Institution (MFI) & Priority Sector Lending (PSL)

Week 6 (Episode 11 & 12)

- ✓ Central Registry for Secured Transaction in Bhutan (CRST) & Credit Information Bureau of Bhutan (CIB)

Week 7 (Episode 13 & 14)

- ✓ Interaction with chief guests on financial literacy

Week 8 (Episode 15 & 16)

- ✓ RICBL & National Pension & Provident Fund (NPPF)

Week 9 (Episode 17 & 18)

- ✓ CEOs of Banks

Week 10 (Episode 19&20)

- ✓ CEOs of FIAB & RICBL

Week 11 (Episode 21&22)

- ✓ YE-Banking (Two ambassadors from Jigme Losel PS, Thimphu & Olathang PS, Paro)

Week 12 (Episode 23&24)

- ✓ Wrap-up of key points by MC



Financial Inclusion Secretariat (FIS) was set up on 1st January, 2017 under the Royal Monetary Authority(RMA) to spearhead the national financial inclusion policies and strategies. FIS aims to incorporate various financial literacy programs and activities.

FIS aspires in achieving the vision of ‘Improving the financial wellbeing of the Bhutanese by advancing their financial literacy capabilities: Improve on citizen’s knowledge, skills, attitudes and behavior in making an informed financial decision.’

Visit <http://www.rmafил.bt/>

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