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# The Loden Report

The Annual Newsletter of the Loden Foundation

... dedicated to fostering an enlightened and happy society through education.

Winter 2011

Kunzang Choden  
Trustee/Director

Karma Phuntsho  
Trustee/Director

Mehgraj Gurung,  
Trustee

Dago Beda  
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Cheda  
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Bimla Rai  
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Programme Officer

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## Kuzu Zangpo La!

Greetings from Thimphu. As Bhutan celebrates its 105th National Day to mark the founding of its monarchy, Thimphu is buzzing with a festive mood. On such happy occasion, we take the opportunity to reach out and connect with all of Loden's well wishers and supporters around the globe with gratitude and joy in our hearts. It is an appropriate time for us to share news of Loden and celebrate with you our achievements in the past year as well as our plans for the future.

The year 2011 has been a progressive one for Loden. Our two existent Early Learning Centres have been running smoothly and we made plans for two new ones in the remote towns of Gyalpozhing in Mongar and Tingtibi in Kheng. It was for me personally a very moving experience to attend the annual concert of the 3-5 year old students of our centre in Chengmari and see the centre's vitality.

It is now our plan to gradually transfer the ownership of the ELCs to the local community and also create a mechanism for their self-sufficiency and sustainability.

The Sponsorship Scheme for poor children attending school has also expanded this year in spite of our decision to seek and provide support for only those who approach us as there are other organizations in Bhutan running similar projects more effectively than us. There are currently 42 students receiving support through us.

The Loden Entrepreneurship Programme is now in its fourth year and Loden has trained about 340 potential entrepreneurs and helped set up thirty-nine entrepreneurial ventures with interest-free capital. Fourteen of them are female and the ventures range from farming and cultural industries to mechanical, IT and recycling projects. Despite some challenges and setbacks, our overall rate of success in terms of both loan repayment and social impact is excellent.

We have begun to make substantial contributions to empowerment of youth and to reduction of unemployment and rural-urban migration, and are also hopeful of cultivating an ethical and enlightened

culture of business and living in Bhutan. The highlight of our LEP success this year has been the award one of our entrepreneurs received in a global competition held by Prince Charles' Youth Business International in London (see below).

These achievements and aspirations would not be possible without your support. Thus, we are deeply grateful to many individuals for making us a channel of your charity and also to all our institutional partners. We are particularly indebted to our stalwarts in London for their unrelenting support.

The year 2011 has also brought us new friends from Singapore, Hungary and Switzerland and we hope that these overtures will lead to meaningful friendship and co-operation. As we strive to bring appropriate and timely intervention for our beneficiaries, we hope you will continue to make this journey with us.

We wish you a wonderful festive season and a Happy New Year.

Namey Samey Kadrinche

Karma Phuntsho

## Loden entrepreneur receives global award



Deki Wangmo, one of the first Loden entrepreneurs, received the Woman Entrepreneur of the Year award in a global competition held by Prince Charles' Youth Business International. She runs a tyre retreading business in Thimphu. Her business, which she started with US\$16,000 soft loan from Loden has now an annual turnover of about \$400,000 and employs twelve staff.

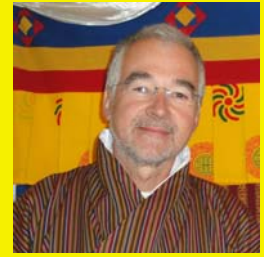
The award was presented by Lady Rothmere at a gala ceremony in London on 10 Nov, 2011. "Our ideas must be followed by action", said jubilant Deki when asked about her key to success. The award is in recognition of her exceptional achievement in a sector which is almost entirely dominated by men.

The Loden Foundation, P.O. Box No. 131, Thimphu, Bhutan  
(Registered Charity No. CSOA/PBO-02)

www.loden.org

### Notes from afar...

For a regular visitor to Bhutan it is very clear that changes are accelerating in the country. The building boom in Thimphu (some 800 buildings are said to be at various stages of completion) is striking. The roads are becoming congested and many new shops and small enterprises appear to be starting as well as new schools and hotels. The changes are not limited to the western valleys and it is encouraging to see that an entrepreneurial drive is also present in Bumthang and in the east.



This year the majority of the business plans submitted to Loden were from outside Thimphu and Paro valleys and out of the thirteen business we selected, only two are based in Thimphu. With the rapid economic growth comes new challenges. Are the Bhutanese banks which finance the building frenzy prepared to face a potential slow down in the market? The Europeans are at the moment paying dearly for this. As in most Asian countries, education is recognized as a priority by the Bhutanese and progresses are evident. However, as more and more graduates are finishing their studies, it is not clear where the jobs are going to come from, especially as the hopes and expectations of many young Bhutanese are to stay away from any blue collar job.

Bhutan is much less isolated than it was even ten years ago. The information technology boom, which has helped Bhutan to connect with the outside world, has the power to make the word 'flat, hot and crowded' in the words of Thomas Friedman. This is exactly what Bhutan has been able to avoid so far. But, today the challenges are real and overpowering and it is pertinent to ask if Bhutan will succumb to the onslaught of change or harness the forces of change to change for the better.

Gérard Tardy  
Director (LEP)

### Loden opens third ELC in eastern Bhutan



The Loden's first two early learning centres in Bumthang and Samtse successfully ended their 2011 academic year on 30 November. Total of fifty children attended these centres on a regular basis. Forty-four of these children will join schools in 2012.

Rinzin Tshomo, one of Loden ELC facilitators, says, "We hope our children will do much better in the schools as they have exposure to learning and discipline for over a year". Building on the experience gained from these two

centres, Loden will be opening another centre in the east with the generous financial support from Canadian Fund for Local Initiatives. The third community based early learning centre with two teachers will be officially opened on 1 March 2012 in Lingmithang, Mongar.

The centre will be launched in collaboration with local leaders and the Assistant District Education Officer of Mongar. The work to put the infrastructure in place is nearly complete and two female facilitators/teachers have also been recruited and trained in Thimphu.

The centre expects to see at least 30 children from the nearby settlements. Through this, Loden aims to provide equal opportunities for children in this rural community, who are otherwise deprived of such facility. Our ELC programme does not only give early education

to the children, but also frees time for the parents to engage in income generating activities.

Some years after establishment, Loden plans to gradually transfer the ownership of these centres to the local communities and convert them into sustainable community projects. Loden works in partnership with Early Child Care Division of the Department of School Education.



## Towards an ethical and enlightened entrepreneurial culture

As the Loden Entrepreneurship Programme enters its fifth year in the new year, we look back at the past four years with a deep satisfaction. The journey has been an arduous with some setbacks and challenges but also rewarding.

	2008	2009	2010	2011
Aspiring entrepreneurs trained	50	75	121	93
Proposals assessed	59	85	177	90
Projects funded	7	9	11	13

Our entrepreneurs whose businesses were launched with soft loans, some as small as \$3000, have done well to establish themselves in the competitive market and have also become good examples for the aspiring entrepreneurs. The entrepreneurial ventures have generated between 2-8 jobs each and helped reduce youth unemployment in the country. With a nationwide distribution, the programme has also helped deter the rural to urban migration. When we take into account the benefits it has brought to many families, relatives and communities of the entrepreneurs, the overall social impact is substantial.

Today, as free market corporate and private industries replaces Bhutan's traditional subsistence economy and as materialism and consumerism spreads across the country, Loden aspires to cultivate a wholesome entrepreneurial and business culture which is ecologically, culturally and socially responsible. To this end, we also continually endeavour to create a web of highly skilled international and local experts as voluntary trainers and mentors. A new Loden expert on entrepreneurship in Bhutan will also be appointed in 2012. The Loden entrepreneurs have also united to form an association in order to work together, learn from each other, barter their products and services and abide by a common standard and values.



Above: weaving centre in Khoma  
Below left to right: paper recycling, pickle production and LEP trainees 2011 in Thimphu.



## A PERSPECTIVE ... from the chairperson of the Association of Loden Entrepreneurs



Great hopes make great men and great entrepreneurs are in the making with the hope that Loden Foundation has provided. A year with Loden Foundation, I have personally witnessed the opportunity that Loden has provided to the aspiring entrepreneurs who are now working hard to achieve what they have dreamt of.

A diverse amalgam of entrepreneurial breed is what Loden is constructing and in the years to come, we see a value constellation of entrepreneurs in the

Loden family which would not only benefit the individual and the Loden family but also the society as a whole. A creation of a chain reaction, starting from a happy individual (entrepreneur) to a happy client and thus a happy community is what we see and aspire among Loden entrepreneurs.

A simple children's bookshop with the hope 'Read to Lead', a shoe laundry shop which has taken the social responsibility of 'Helping Shoe Bhutan' with 3000 pairs of old shoes for the shoeless, Greener ways; paving a path to green living 'for generations beyond' and many other similar businesses has made Loden entrepreneurs proud of claiming to be a Loden beneficiary.

We, the Loden entrepreneurs hope to make our businesses successful and help other aspiring entrepreneurs attain their dreams and make a bold statement that businesses can be done 'RIGHT' and every individual can make a difference.

Thank you Loden on behalf of all the entrepreneurs and for those who are not a part of Loden but would like to be one, we warmly welcome you.

Sangay Tshering

## 2011 LODEN ENTREPRENEURS



*Dorji Gyeltshen*  
Design, tailoring and weaving



*Kuenga Dhendup*  
Carpentry and wood works



*Ratna Bdr Tamang*  
Cooperative dairy farming



*Sangay Cheki and husband*  
Horticultural nursery



*Tashi Choden*  
Children's bookstore



*S Tobgay and K Tenzin*  
School bus service

## New business with old shoes



my feet gave out a foul odour for which my teacher yelled at me. I felt bad, as I was also cursed and teased by my friends”, said Dawa Dakpa.

Dawa started a shoe laundry service in Thimphu with interest free loan of Nu 400,000 (ngultrum four hundred thousand) he received from Loden in 2010. Besides laundry service, he also provides drop and pickup services, repairs the damaged ones and replaces shoe laces. The venture was successful and has also attracted some media attention.

Along with his shoe washing business, Dawa launched earlier this year a social project called Help Shoe Bhutan. The project collects old shoes from people in Thimphu and other urban areas. The shoes are then cleaned, repaired and distributed to the rural villagers. Dawa conceived this idea when he realized how many urban Bhutanese throw away good shoes while people in rural parts of Bhutan often do not have a pair. Dawa has collected over 3000 pairs of shoes between May and December 2011. He has distributed 1350 pairs of shoes to poor people in Thimphu and in other parts of Bhutan. Dawa intends to continue this noble initiative in order to help people with low income.

## Stabilized mud blocks to resist earthquakes



*Wangda Jamtsho*  
2011 entrepreneur

Among the thirteen aspiring entrepreneurs selected by Loden Foundation this year, Wangda Jamtsho proposed to start a business to produce earthquake resistant mud blocs for construction of houses. Wangda comes from a humble family in Tashigang. After the successful completion of a Certificate in Mechanical Engineering, he had worked in the construction business for a couple of years.

Wangda was awarded an interest and collateral-free loan of Nu.600,000 to buy machinery and launch his business to manufacture earthquake resistant mud blocks. The selection panel found the proposal particularly timely as parts of Bhutan has been seriously wrecked by strong earthquakes twice in the last three years. As the country lies in a high seismic zone, is witnessing a boom in construction industry and has still no effective technology or system in place to deal with the earthquakes, Loden is very hopeful that Wangda's project will not only succeed as an entrepreneurial venture but make significant difference in mitigating the damages of earthquake.

According to his proposal, Wangda' plans to manufacture over 1000 mud blocks each day. He will first supply the mud blocks to eastern part of Bhutan and gradually enter into national market. He hopes his mud blocks will replace the imported blocks. When asked why he chose to take up this line of business, he said, "I was inspired by one of the deadly earthquakes which occurred in my village. People came to me for help and I was helpless. I wanted to meet the expectations of my neighbours and I eventually got this idea to produce stabilized blocks."

## 2011 LODEN ENTREPRENEURS



*Tshering Yangzom*  
Fabrication and rebuilding



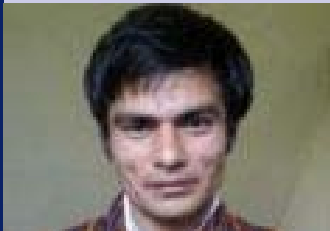
*Tsheten Dorji*  
Automobile workshop



*Ugyen Wangmo*  
Weaving centre



*Sangay Wangdi & company*  
Landscape and floral services



*Ashok Dahal*  
IT service centre



*Karma Jurmin*  
Herbal and vegetable packing

## Loden Sponsorship Scheme

Although school education has almost all corners of the country in recent years, hundreds of rural children even today do not go to school or abandon it prematurely because their families cannot afford a school uniform or few books. Even if they finish primary and secondary school, many promising students cannot pursue higher education due to lack of fund or information on where to seek funding. The Loden Foundation started as a small scheme to help poor children go to school by providing costs for uniforms, stationeries, sports gear, etc. Although school education in Bhutan is state financed, such extra costs can be often too heavy a burden for rural families whose livelihoods are based on subsistence farming and cash income is limited.

Since 2000, we have endeavoured to help children with such difficulties. Although many other organizations have actively started child sponsorship programmes, we still help those children in need to find a sponsor and willing sponsor to find a deserving child when they approach us.

Under the advice of school teachers, we have set the amount of annual support at Nu.8000 (US\$150) for primary students and Nu.10,000 (US\$200) for secondary school students from 2012. These figures are only guidelines and any support is welcome. We also channel funds from sponsors for students in higher education but the amount can vary according to the needs.

### Support Us



**Kinley, 12**

Kinley's parents moved to Thimphu from the northeastern district of Kurtoe for medical reasons. His father died two years and he lives with his illiterate mother and two siblings. His mother suffers from a chronic illness and has to stay close to the hospital. The entire family presently rely on the meagre income generated by Kinley's brother who is employed by one of the private companies after finishing Class X.



**Sonam Choden, 17**

Sonam is presently in Class VIII. She lives with her mother who is a farmer in a remote part of Punakha district. Her parents got divorced when she was a small child. Her mother stays with her two sisters who are also divorced. They have twelve children in total and nine are in school. Every year, they borrow money from their neighbours to send their children to school.



**Ugyen Tshering, 9**

Ugyen is currently in Class III in Mongar Lower Secondary School. His father died a couple of years ago and he lives with his mother, who is addicted to alcohol. As Ugyen's mother is unable to buy him uniform and other requisites, the school teachers jointly bought these for him. The teachers have approached the Loden Foundation to find someone who can help Ugyen with expenses for the basic needs in school.

## Meet Few Faces

**Cheda***New Trustee*

Cheda is a private legal consultant and runs a legal firm in Thimphu. He worked in the civil services for many years. He joined Loden as trustee and will also give legal advice.

**Bimla Rai***New Trustee*

Bimla is one of the beneficiaries of Loden Entrepreneurship Programme in 2008. She runs a financial consultancy firm in Thimphu.

**Phub Wangdi***Programme/finance officer*

Phub worked for various private organizations in the past. He has joined Loden as an interim finance and programme officer.

## Loden Financial Report 1 Jan 2011 – 31 Dec 2011

Receipts		Payments	
	Nu.		Nu.
RET and Maitri trust	8,825,459	Early Learning Centres	1,247,431
Bhutan Foundation	2,058,360	LEP	5,597,010
Global Fund for Children	521,374	Sponsorship Scheme	623,556
CSOFF, Bhutan	1,200,000	Overhead / office	426,795
Canada Cooperation	453,361		
Individual Contributions	1,199,489		
Bank Interest	42,225		
<b>Total</b>	<b>14,300,268</b>	<b>Total</b>	<b>7,894,792</b>
Current Assets		Current Liabilities	
Cash Balance	3,616,115	Employee Benefit Fund	109,000
Endowment	5,000,000		
LEP repayables	10,077,000		
Fixed Asset (equipments)	221,850		
<b>Total</b>	<b>18,914,965</b>	<b>Total</b>	<b>109,000</b>

**Loden Scholar**

Applications are now invited for the post of Loden Scholar, who will undertake research on the entrepreneurial needs of Bhutan. The scholar will work with the Loden entrepreneurs, teach courses and publish his findings with a set of practical recommendations. For details, visit [www.loden.org/announcements](http://www.loden.org/announcements).

**Donation Form**

**You can contribute to Loden by writing a cheque or making an online transfer to:**

In Bhutan

The Loden Foundation  
Tashi Rabten Building  
PO Box 131,  
Thimphu; BHUTAN  
Ac. No. 5000045068011  
Swift Code: BNBTTBTT

In the US

The Bhutan Foundation  
(501c3 registered  
organization in the US)  
Suite 525  
2100 Pennsylvania Avenue,  
NW  
Washington, DC 20037  
USA

In Europe

Rigdang Education Trust  
18 Cottesmore Gardens  
London, W8 5PR, UK  
Ac. No. 82553872  
Sort Code: 40-16-08  
(UK Charity No. 1114763)

Ac. No. **5308947869**  
Routing ABA: 031000053  
Swift Code: PNCCUS33  
[Please mention that your  
donation is for Loden  
Foundation]

You can also make donations by using **paypal** through our website ([www.loden.org](http://www.loden.org)). For further information, write to [info@loden.org](mailto:info@loden.org).



**There is nothing whatsoever a Bodhisattva will not learn. For such a wise person, there is nothing which cannot be turned into good.**

- Shantideva