

Appointment
Of
Economic Development Officers in Dzongkhags
(Terms of Reference)

Ministry of Economic Affairs
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1. **Background**

In keeping with the OD recommendations to further decentralize critical trade & industry services at the Dzongkhag level, the Ministry of Economic Affairs (MoEA) undertook a pilot exercise to establish Dzongkhag Trade & Industry Office (DTIO) in two Dzongkhags of Samtse and Tashiyangtse from March 2017 – Feb 2018. However, the midterm review carried out in September 2017 did not indicate the feasibility of establishing DTIOs.

Accordingly, MoEA developed a comprehensive proposal in close consultation with RCSC for phase wise implementation of DTIO. The proposal was presented to the consultative stakeholder meeting involving officials from RCSC, GNHC, MoAF, MoEA and Dzongkhag Administration of Paro and Haa. The meeting recommended for separation of promotional and regulatory functions and immediate appointment of a dedicated Economic Development Officer (EDO) in the Dzongkhags to spearhead and promote economic development activities in line with the inclusive growth and decentralization policy of the government.

Subsequently, the Terms of Reference (TOR) for appointment of Economic Development Officer (EDO) in place of DTIO was developed and finalized through a consultative meeting involving officials from RCSC, Tourism Council of Bhutan and Department of Agriculture Marketing & Cooperatives.

2. **Objective**

The main objective of this proposal is to appoint EDO in all 20 Dzongkhags to spearhead economic developmental activities and to facilitate growth of business opportunities in the Dzongkhags. This is also expected to support and strengthen the implementation of the PSL Scheme and other economic flagship plans and programs in the Dzongkhags.

3. **Terms of Reference (TOR)**

- a. Identify business opportunities and initiate promotional activities;
- b. Coordinate with sectors and integrate economic development activities in the overall Dzongkhag/Thromde Plan;
- c. Facilitate development of sectoral plans and programs for promotion of economic activities;
- d. Serve as Member Secretary to any economic development related forums;
- e. Serve as focal person for Priority Sector Lending scheme;

- f. Serve as focal person for all services related to TCB;
- g. Facilitate development of business proposals with relevant government agencies;
- h. Facilitate in processing sectoral clearances (community forest, environment, Road, etc) for the construction of roadside amenities (RSAs), viewpoints, campsites and trek routes;
- i. Identify and recommend potential CSIs for various schemes such as Rural Industry Development Scheme, Bhutan Enterprise Award, PSL Scheme and other business promotion incentives;
- j. Identify and recommend proposals for tourism products and services including RSAs.
- k. Liaise with Department of Agricultural Marketing and Cooperatives (DAMC) on proposals related to agro based business and marketing activities;
- l. Liaise with Dzongkhag Statistical Officers for conduct of relevant surveys from time to time;
- m. Maintain business resource inventory including tourism services and products;
- n. Facilitate assessment of tourism accommodations and other related services;
- o. Undertake training needs analysis pertaining to cottage and small businesses including tourism sector;
- p. Conduct business and consumer advocacy workshops/trainings in collaboration with relevant government agencies;
- q. Provide advisory services and information to walk-in clients;

4. **Manpower Requirements**

There shall be at least one EDO at P2-P5 level appointed in all Dzongkhags by 2020. In keeping the existing BSCR rules and regulations, the mode of recruitment shall be through lateral transfers and contract employment, which shall be done in a phased manner covering ten Dzongkhags in each phase over the period of two years.

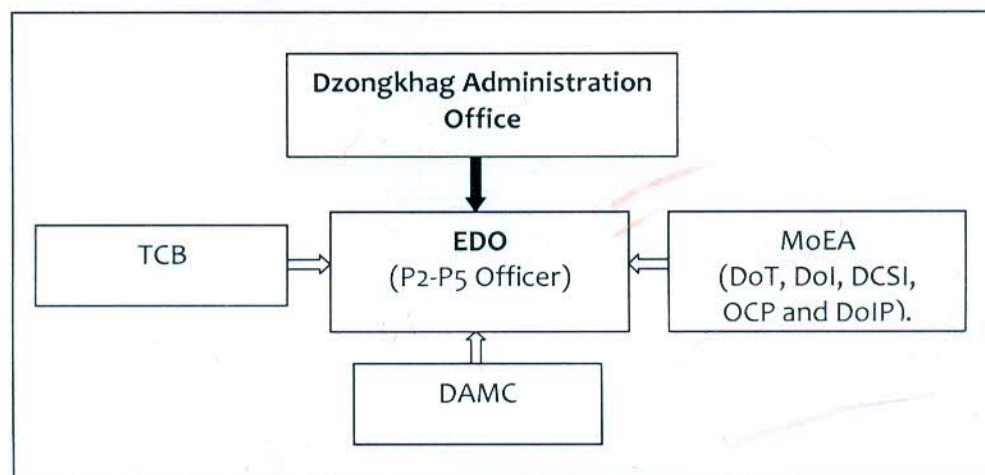
The performance and the exact staff requirements, including recruitment of EDOs in Thromdes (Class A) shall be however determined based on a periodic review and assessment carried out by RCSC and MoEA in terms of quantum of work involved, services delivery, geographical size, population, business activities and opportunities.

The role of EDOs shall be multi-sectoral in nature and is expected to value add and contribute in mainstreaming economic development and employment generation at the Dzongkhag level. Considering critical role of EDO, it is imperative that EDOs be equipped with adequate knowledge of the government policies, laws, rules and regulations pertaining to business promotion and economic diversification. They shall be required to, among others:

- a. Undergo an intensive induction course with the relevant Departments and Agencies on existing policies, rules and regulations and operational procedures related to businesses in the respective Dzongkhags (*Tentative program in Annexure II*);
- b. Familiarize on the proposed plans and programs in the 12th FYP programs including those under implementation in different Dzongkhags currently.

5. Organization Structure

The setup of the EDO shall be similar to that of other sectoral agencies in the Dzongkhag.



Line of Instruction and Reporting

- a. EDO shall be under the administrative and supervisory control of the Dzongkhag Administration. The Dzongkhag Administration shall be the designated channel of communication for any issues related to EDO. MoEA and other agencies shall convey directives to the EDO through the Dzongkhag Administration.

- b. Submission of periodic information and ad-hoc reports required by MoEA and other agencies shall be routed through Dzongkhag Administration unless in case of urgent requirements by the higher authorities.

Role of Dzongkhag Administration

- c. The Dzongkhag Administration shall use the existing institutional arrangement to supervise, carry out work appraisal and performance evaluation of the EDO.
- d. The Dzongkhag Administration shall provide all necessary support services in the areas of administration and finance, movement of EDO and any other assistance required for proper discharge of his/her duty such as office space, phone / internet connections, other secretarial services.

Role of MoEA (Departments), TCB and DAMC (MoAF)

- e. MoEA shall provide all parenting and policy advisory services to EDOs. For specific policy and technical issues, EDO may contact the concerned department or agencies directly for necessary advice or interventions.
- f. Other agencies and MoEA departments shall provide technical support to implement any business promotion and economic development related activities in the Dzongkhags.

Role of Regional Trade & Industry Offices (RTIO)

- g. The RTIOs shall provide the record of business establishments in the Dzongkhags to EDO concerned;
- h. The RTIOs shall share relevant rules, regulations, guidelines and operational procedures and provide technical support in undertaking the responsibilities assigned to EDO.
- i. The RTIOs shall continue to assume full regulatory responsibilities and take action on the reports forwarded by the EDO relating to RTIO functions in the Dzongkhags.

6. Budget & Resource Allocation

- a. The establishment of EDO would require a total budget of Nu. 4.63 million for Phase 1 implementation in 10 Dzongkhags on account of salary and other benefits (leave encashment, LTC, TA/DA), office equipment and furniture, etc. The detail budget estimation is in Annexure I.
- b. Each Dzongkhag would be required to be allocated with sum of Nu. 0.46 for deployment of EDO.

7. Implementation Plan

Phase 1

- a. The timeframe for deployment of EDOs in the Dzongkhags will be effectively from January, 2019 coinciding with the implementation of the 12th FYP. The actual recruitment process is expected to be completed by September 2018, and the remaining three months will be used for intensive induction course.
- b. The recruitment modalities will be lateral transfers for in-service candidates and contract employment for new recruits. Placement criteria will be as follows:
 - i. Dzongkhags closer to the centre shall be considered for lateral transfer;
 - ii. Dzongkhags away from the centre shall be opted for contract recruitment.
- c. Dzongkhags covered in the first phase include those where loans for priority sector lending projects have been already sanctioned and currently under implementation.
 - i. Chukha
 - ii. Dagana
 - iii. Sarpang
 - iv. Wangdue
 - v. Tsirang
 - vi. Mongar
 - vii. Zhemgang
 - viii. P'Gatshel
 - ix. Lhuentse
 - x. T/Yangtse

Phase 2

- a. The timeframe for deployment of EDOs in the Dzongkhags will be effectively from January, 2020. However, the actual recruitment is expected to be completed by September 2019.
- b. The recruitment modalities will be the same i.e., through lateral transfer and contract employment based on the following criteria:
 - i. Dzongkhags closer to the centre shall be considered for lateral transfer;
 - ii. Dzongkhags away from the centre shall be opted for contract recruitment.
- c. The remaining Dzongkhags to be covered in the second phase are as follows:
 - i. Gasa
 - ii. Haa
 - iii. S/jongkhar
 - iv. Samtse
 - v. Tashigang
 - vi. Trongsa
 - vii. Bumthang
 - viii. Paro
 - ix. Punakha
 - x. Thimphu
- d. Other things remaining the same as the Phase 1, budget requirement shall be double in Phase 2 with additional 10 EDOs, which shall be planned and proposed by MoEA in consultation with RCSC before the start of new Financial Year.

Budget Estimation

PHASE I - 10 EDOs (P5)					
Table 1		Salary & allowances			
Sl. No	Particulars	Basic	Gross Amt. (annual)	No. of staff	Total Gross (annual)
1	Salary	17,945.00	215,340.00	10	2,153,400.00
2	Leave encashment	17,945.00	17,945.00	10	179,450.00
3	LTC	15,000.00	15,000.00	10	150,000.00
4	HR allowance	4,200.00	42,000.00	10	420,000.00
5	TA/DA	70,000.00	70,000.00	10	700,000.00
Total (salary and allowances)				Nu.	3,602,850.00

Table 2		Office Equipments			
Sl. No	Particulars	Rate	No. of staff	Total Cost	Remarks
1	Laptop	45,000.00	10	450,000.00	The rates are based on the quotation rate for the fiscal year 2017-18
2	Printer	35,000.00	10	350,000.00	
3	Table	7,000.00	10	70,000.00	
4	Chair	11,000.00	10	110,000.00	
5	Computer station	5,000.00	10	50,000.00	
Total (equipments)				Nu. 1,030,000.00	
Annual budget for Phase I (Table 1 + Table 2)				Nu.4,632,850.00	

PHASE II - 20 EDOs (P5)

Annual budget requirement = (Phase I) x 2 = **Nu.9,265,700.00**

	<ul style="list-style-type: none"> ✓ Guidelines/procedures ✓ Forms 		DAMC, RCSC combined one week
	<ul style="list-style-type: none"> • Case studies/Examination 	1 day	
	<ul style="list-style-type: none"> • Plenary discussion on the issues 	1 day	(2 weeks)

NOTE: Under both Phase 1 & 2, induction course is expected to impart a total of 23 days of theory classes, 11 days of practical sessions, and 8 days of plenary session with respective agencies.

Budget requirement for the Induction Courses:

- | | | | |
|--|---|--------------------|-----------------|
| 1. DSA for 10 EDOs for 2 months | = | Nu. 1000 x 10 x 60 | =Nu. 600,000.00 |
| 2. Purchase of course materials (pen, notepad, folder) | | | =Nu. 10,000.00 |
| | | Total | =Nu. 610,000.00 |

For the conduct of induction course in each Phase, total budget requirement for course duration of 2 months (October and November) for 10 EDOs is estimated at Nu. 610,000.00. RCSC is requested to consider providing financial assistance in conducting the proposed training program.