

**COOPERATIVES BUSINESS DEVELOPMENT SCHEME**

**(C-BUDS) GUIDELINES**

**DEPARTMENT OF AGRICULTURAL MARKETING**

**AND COOPERATIVES**

**MINISTRY OF AGRICULTURE AND FORESTS**

**THIMPHU**

**July 2021**

**Contents**

- 1. BACKGROUND ..... 3
- 2. OBJECTIVE..... 3
- 3. DEFINITION OF VALUE ADDITION EQUIPMENT ..... 3
- 4. WHO CAN APPLY?..... 3
- 5. C-BUDS CONTRIBUTION RATIO AND CEILING.....3
- 6. WHEN TO APPLY? .....4
- 7. HOW TO APPLY? .....4
- 8. IMPLEMENTATION PROCESS.....4
- 9. HOW ARE THE PROPOSALS EVALUATED?..... 5
  - 9.1 Evaluation committee .....5
  - 9.2 Evaluation Parameters .....5
- 10. CONDITION OF THE SUPPORT ..... 6
- 11. HOW AND WHERE TO APPLY? .....6
  
- Annexure 1:  
..... 8
  
- Annexure 2:  
..... 11

## **1. BACKGROUND**

The Department of Agricultural Marketing and Cooperatives (DAMC) work towards marketing of RNR products through promoting efficient and effective marketing systems, facilitating institutional linkages and strengthening farmers groups and cooperatives. The Cooperative (Amendment) Act of Bhutan, 2009 (CAB 2009) empowers farmers groups and cooperatives as legal entities and recognizes them as a strong pillar for socio-economic development. To enable Farmers Groups and Cooperatives to become more business-oriented, profitable and sustainable, the DAMC initiates and facilitates capacity building programs, market linkages, establishment of market infrastructure (B-Coop shops, Sales counter, Collection sheds, Market sheds, Roadside outlets, cold stores, etc.) and provision of value addition equipment. In order to ensure a transparent and effective support provision and delivery system of value addition equipment, the DAMC has developed a support scheme named Cooperatives Business Development Scheme (C-BuDS). The guideline of this scheme will render guidance for efficient support management, administration and follow through in the provision of value addition equipment.

## **2. OBJECTIVE**

The objective of the C-BuDS is to enhance business diversification, profitability and sustainability of FG/Coops through provision of value addition equipment.

## **3. DEFINITION OF VALUE ADDITION EQUIPMENT**

Equipment which enables changing a raw product into something new through processing, cooling, drying, extracting or any other type of process that differentiates the product from the original raw material, with the intention to increase the value of a product. Packaging materials and equipment that will improve the protection, shelf-life and presentation and thereby the final value of the produce will also be considered as a value addition equipment under this guideline.

## **4. WHO CAN APPLY?**

FGs/Coops which are registered under the CAB, 2009 and have a valid certificate of registration

## **5. C-BUDS CONTRIBUTION RATIO AND CEILING**

The support would be on a cost sharing basis, where the Royal Government of Bhutan (RGOB) will contribute 70% and FGs/Coops must bear 30% of the total cost as per Guidelines on Cost-Sharing Mechanism for the RNR Sector, May 2021. However,

Government support will not exceed Nu.1,000,000/- for each FG/Coop. Where the support is provided through certain projects, the cost sharing and the payment system will be followed as per the funding project guidelines. However, should the project terms and conditions be flexible, the aforementioned contribution ratio and ceiling should be followed.

## **6. WHEN TO APPLY?**

The DAMC shall call for proposals as and when funds are available.

## **7. HOW TO APPLY?**

Eligible FGs/Coops can apply using prescribed C-BuDS Application Form (Annexure 1). The application must be endorsed and forwarded by the concerned Dzongkhag Sector Head, along with the valid certificate of registration.

FGs/Coops with members across different dzongkhags and were registered directly by the department can apply directly to the department.

The complete set of applications must be submitted in electronic, printed form or written legibly.

## **8. IMPLEMENTATION PROCESS**

Public announcement for C-BuDS by DAMC/RAMCO

Submission of proposals by FGs/Coops

Evaluation and selection of proposals by the evaluation committee

Float quotations (for equipment not available in the MoAF tender) by  
DAMC/RAMCO

Completion of quotation procedure by DAMC/RAMCO

Disbursement of equipment by DAMC/RAMCO

***Disclaimer:** Time for completion of quotation procedures will be dependent on the when the suppliers have submitted their tenders*

## **9. HOW ARE THE PROPOSALS EVALUATED?**

### **9.1 Evaluation Committee**

The evaluation committee will review and approve the proposals based on pre-determined criteria. Each member shall declare conflict of interest, if any, prior to the evaluation.

The evaluation committee at the headquarters will compose of the following members:

- i. Chief Marketing Officer, Cooperatives Development Division- chairperson
- ii. Representatives from Marketing Development Division,
- iii. Representative from Marketing Information and Research Division,
- iv. Representative from Cooperative Development Division

The evaluation committee at the Regional Agricultural Marketing and Cooperatives Office (RAMCOs) will compose of the following members:

- i. Regional Marketing Coordinator, RAMCO-chairperson
- ii. Three relevant officials from within the office

The selected proposals must seek the final endorsement from the Head of the Department

### **9.2 Evaluation Parameters**

The Evaluation Committee shall assess the grant proposals based on 6 parameters and the scoring is on a scale from 1-5. Based on the criteria, the evaluator shall give scores 1- 5 (1=poor, 2=fair, 3=good, 4=very good and 5=excellent) for each proposal. The parameters are as follows:

- Clarity of the proposal
- Gender and social equity outlook
- Potential of impact of support and long-term sustainability
- Market potential of final (value-added) products using this technology
- Potential to create additional jobs by using technology (through further business growth and/or diversification)
- Innovativeness of the technology proposed
- Eco-friendliness of the technology proposed
- Membership size scoring will be calculated as follows:

Membership Size Score <15

1 16-30 2 31-45 3 46-60 4

>61 5

*Note: In case the evaluation committee feels the need of field verification, it may be carried out.*

Proposals from FGs/Coops that have already received three or more times support from the DAMC in the past will not be eligible.

## **10. CONDITION OF THE SUPPORT**

The C-BuDS disbursement will be based on the approved proposal. Upon delivery, the beneficiary FG/Coop will sign an undertaking (*Annexure 2*) on the conditions of the support with the relevant Dzongkhag administration or the DAMC/RAMCOs.

DAMC/RAMCOs in collaboration with the concerned extension official and Dzongkhag RNR Sector Head will carry out monitoring to ensure proper use of equipment on a regular basis.

## **11. HOW AND WHERE TO APPLY?**

C-BuDS proposals may be submitted in either English or Dzongkha within the given deadline. Proposals that do not follow the outline of the application form will not be accepted. If Applications submitted is in electronic form, it must be submitted in pdf version. Applications can either be emailed or posted to the following address upon which due acknowledgement will be given.

**1. For Thimphu, Paro, Punakha, Haa, Wandiphodrang, Chhukha, Samtse and Gasa**

Chief Marketing Officer, Cooperatives Development Division, Department of Agricultural Marketing and Cooperatives, Ministry of Agriculture and Forest, PABX NO.00975-2-322909/335741/331638 Email: [cbudsdamc@gmail.com](mailto:cbudsdamc@gmail.com)

**2. For Sarpang, Zhemgang, Trongsa, Bumthang, Tsirang and Dagana**

Regional Marketing Coordinator, Regional Agricultural Marketing and Cooperatives Office, Department of Agricultural Marketing and Cooperatives, Ministry of Agriculture and Forest. Gelephu Phone No: 06251108 Email: [cbudsramcog@gmail.com](mailto:cbudsramcog@gmail.com)

**3. For Tashigang, Tashiyangtse, Monggar, Lhuentse, Pemagatshel, Samdrupjonkhar**

Regional Marketing Coordinator, Regional Agricultural Marketing and Cooperatives Office, Department of Agricultural Marketing and Cooperatives, Ministry of Agriculture and Forest, Mongar. Phone No: 04 641322/641233 Email: [cbudsramcom@gmail.com](mailto:cbudsramcom@gmail.com)

## **Annexure 1: Application Form**

### **1. Profile of the Group/Co-operative**

a) Name of Farmers Group/ Co-operative:

b) Number of members: Male: Female:

c) No. of paid employees (if any):

d) Registration No.:

e) Present Address & contact person, Phone No., email (if available):

f) Brief of the Farmer Group/ Cooperative activities:

**2. Proposed business diversification/ expansion outline** (Summary of proposal for which C-BuDS grant is sought). Specify any new products, increase in production, intended market for increased/new products, choice of technology, etc.) (Max 200 words)

*Use extra sheet if necessary*

**3. What are the expected results of the initiative?** (E.g. Employment, Income, Import Substitution, Access to market, Benefit to women, youth and the community, etc.)

*Use extra sheet if necessary*

**4. Details of support (s) sought:**

<b>Sl.No.</b>	<b>Type of Equipment &amp; Packaging Materials</b>	<b>Technical Specification</b>	<b>Qty</b>	<b>Estimate cost (Nu.)</b>
<b>Total Cost</b>				

**5. The information provided above are true to the best of my knowledge**  
(To be signed by an authorized representative of the Group/ Co-operative):

Signature:

Name:

Designation:

Date:

**6. Recommended by** (Concerned Gewog Sector Representative): *(FGS/coops that have registered directly with the department, need not fill up # 7 and 8)*

Signature:

Name:

Designation:

Date:

**7. Recommended by** (Concerned Dzongkhag Sector Representative):

Signature:

Name:

Designation:

Date:

**Undertaking from C-BuDS Recipient**

I \_\_\_\_\_ (name), \_\_\_\_\_  
(Designation), of the \_\_\_\_\_,  
(Group/ Co-op Name), under \_\_\_\_\_  
(Gewog/ Dzongkhag/ Thromde) having been awarded the C-BuDS agree to the following Terms and Conditions, prescribed by the benefactor:

- (i) The equipment(s) shall be used for the common benefit of the Group/ Co-op only,
- (ii) The equipment(s) shall registered as property of the Group/ Co-op and shall not be sold or transferred to third parties for a minimum of three (3) years, without express permission of the DAMC,
- (iii) The Group/ Co-op shall take proper care of the equipment and ensure regular maintenance and repairs whenever necessary to ensure proper functioning and lengthen its useful life,
- (iv) The Group/ Co-op shall allow inspection of the equipment's by authorized personnel of the DAMC and related government agencies,

In case of our failure to abide by these conditions, the Group/ Co-op shall agree to:

- (i) Surrender of the equipment to the DAMC and forfeit our contribution for the initial cost of the equipment,

In case of contravention to Point #2, the Group/ Co-op agree to:

- (i) To reimburse in full the costs incurred by the RGOB in the procurement of the equipment within three months from the date of notification by the DAMC.

Further, failure to abide by the agreement will result in relinquishing rights to apply for this and similar schemes, administered by the DAMC.

**Recipient**  
(On behalf of the FG/Coop)

Signature:  
Date:

**Witness:**  
Signature

Name:  
Contact No.:  
Address: