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Session 3

Access to Finance: Financing CSIs

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SHARING EXPERIENCES- BHUTANESE ENTREPRENEURS

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Financing Initiatives over the years

Friends and Family/Funds from networks/ Bootstrap/ Private Lending

1968 Bank of Bhutan – Financial Institution	2017 Priority Sector Lending, Royal Monetary Authority
1988 Micro financing by BDB for rural agriculture based CSIs	2018 Jabchor- <i>Angel Investor Platform</i> , Royal Monetary Authority initiative
2006 Rural Industry Development Scheme, Ministry of Economic Affairs (DCSI)	2018 Micro financing - <i>BNEW, BAOWE, RENEW, Tarayana etc</i>
2008 Loden Foundation, a Civil Society Organization	2018 Land Use Certificate (LUC), National Land Commission
2009 Arrival of the internet, Funds raised through online platforms	2018 DHI BizAP (Business Acceleration Program), Druk Holding and Investments
2010 MY JOURNEY Starts Here	2018 Start Up Weekend Funding
2012 DHI BEGIN (Business Entrepreneurship Growth and INnovation) Program	2019 Crowd funding
2012 BICOB Seed funding Business Idea Competition of Bhutan	2019 CSI Bank
2013 Business Opportunity & Information Centre	2019 CSI Flagship program
2016 Rural Enterprise Development Corporation Limited	2019 CSI FDI Policy
2016 SMEs Market Board, Royal Securities Exchange of Bhutan (RSEB)	

Challenges in Accessing Finance

Start up	Funds majorly supports purchase of machines and equipments	1-2 years	Support has improved over the years
Struggles with funding to kick off			
bootstrapping, collateral and interest free loans			
success to launch their product/service			
Scale up	Requires funds for diverse business needs	Timely access to finance for growth	A lot to be done
Demand increases, Supply cannot cope with demand			
Cant scale up			
Access to Finance for scaling up is not easy			

Key Challenges

- ▶ Skills and knowledge
- ▶ Access to Market
- ▶ Organization Development
- ▶ CSI financing and access to Finance
- ▶ Government competing with private sector VS focusing on providing essential services for private sector growth