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**Building Resilient Commercial Smallholder  
Agriculture (BRECSA)**



## **FINANCIAL EDUCATION AND BUSINESS LITERACY (FEBL) IMPLEMENTATION GUIDELINE**

**Project Management Unit, Samtenling, Sarpang**



**Financial Education and Business Literacy (FEBL) guideline, BRECSA Project,  
Ministry of Agriculture and Livestock**

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## BACKGROUND

The fourth quarter of 2024 statistics shows Bhutan's national poverty rate is 12.4%, with rural areas experiencing significantly higher at 17.5%. Despite the agriculture sector employing over 43% of the population, the contribution to GDP remains low at 6.57%. Additionally, Bhutan faces a trade deficit of over Nu. 21,000 million, with exports valued at Nu. 10,495.94 million and imports at Nu. 32,610 million. Recognizing these challenges, the 13th Five Year Plan prioritizes strengthening the nation's economic health and envisions Bhutan as "A High-Income Country Driven by Innovation and Sustainability." Within this vision, the agriculture sector is expected to significantly boost the GDP contribution to Nu. 50,000 million and increase its export value to Nu. 6,000 million by the end of the plan period. However, several challenges hinder agricultural growth, including high production costs, limited volumes, poor storage infrastructure, and expensive transportation. As a result, transitioning agriculture from subsistence to commercial farming has become critical.

The **Building Resilient Commercial Smallholder Agriculture (BRECSA)** project, funded by the Global Agriculture and Food Security Program (GAFSP) and co-financed by the International Fund for Agricultural Development (IFAD), is currently being implemented in four Dzongkhags—Sarpang, Trongsa, Tsirang, and Zhemgang. The project aims to increase resilient commercial agriculture production by 30% and enhance food and nutrition security in these areas by 2030. Key project priorities include promoting commercial farming, value chain application, product diversification, and market access. Crucially, enhancing farmers' capacity in **Financial Education and Business Literacy (FEBL)** is a foundational requirement for promoting agriculture as a business.

This guideline is to provide a structured approach for implementing FEBL in the field. Financial education equips farmers with skills to manage earning, saving, investing, spending, and budgeting while business literacy helps them understand effective operation of business. The initiative is a small step towards promoting agriculture as a business that will ultimately enhance GDP contribution of agri-food sector.

## TITLE AND COMMENCEMENT

Name of Guidelines is "**Financial Education and Business Literacy Implementation Guideline – 2025.**"

This Guideline will be effective immediately from the day approved and endorsed by both IFAD and Project Steering Committee (PSC). This is living document and will be updated and refined based on the experience and lessons learnt from the field.

## DEFINITION

In this Guideline, unless otherwise will be abide by the following definitions:

**"Project"** means Building Resilient Commercial Smallholder Agriculture (BRECSA) Project being implemented by Ministry of Agriculture and Livestock (MoAL), RGoB under overall supervision of IFAD and technical supervision of WFP.

**"Project Area"** means four Dzongkhags (Sarpang, Zhemgang, Trongsa and Tsirang), 37 Gewogs and 539 villages.

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**"Project Steering Committee"** means the apex decision-making body of project, Chaired by Dasho Secretary, MoAL. The members are Dasho Dzongdag of four project Dzongkhags, Director DoA, DoL, DAMC, DTA and BFDA. Chief Planning Officer, PPD, MoAL is member secretary to PSC.

**"Multi Stakeholder Platform"** means the platform where representatives of farmers, private sector actors (Aggregators, Traders, Processor, Exporters, Investor, and Financial Institution) and services providers (Gewog, Dzongkhag, research center and commodity centers) related to particular agriculture commodity meet and discuss for development.

**"Cost-sharing"** means the co-investment provided to farmers groups, cooperatives, agri-entrepreneurs and service providers for the promotion of new methods, technologies, commercial and establishment of agri-business.

**"Sonam Jabchorpa"** is individual recruited by the project to assist and support farmers in the Gewog in planning, implementing and monitoring of project activities. They are also expected guide, mentor and handhold our farmers to achieve desired objectives.

**"Project Implementing Unit (PIU)"** means government entity identified by the project to implement and report the project activities. For now, we have four Dzongkhags, RAMCO and BFDA as main PIUs.

**Community Resource Person (CRP)** means resource person selected from the community (respective Gewog) to support and assists SJs to deliver FEBL classes.

### OBJECTIVE

The broad objectives of the guideline is to enhance the capacity of farmers, aggregators and agri-food entrepreneurs and processors in terms of financial education and business literacy. Other broad objective is to inculcate business culture in our farmers which very crucial to take agriculture as business. However, more specific objective are following:

1. To guide Project Management Unit (PMU) in planning, implementing, supervision and monitoring of FEBL.
2. To develop uniform, rationalized and standardized FEBL modules and replicate in all 20 project Dzongkhags.
3. Assists **Sonam Jabchorpa(s) and CRPs** in seamless delivery of FEBL classes in their respective Gewogs

### INTRODUCTION OF FINANCIAL EDUCATION AND BUSINESS LITERACY (FEBL)

**Financial education** teaches people how to manage money wisely. It helps with budgeting and avoiding debt. It empowers individuals to make informed financial decisions such as earning, spending, saving, borrowing, and investing.

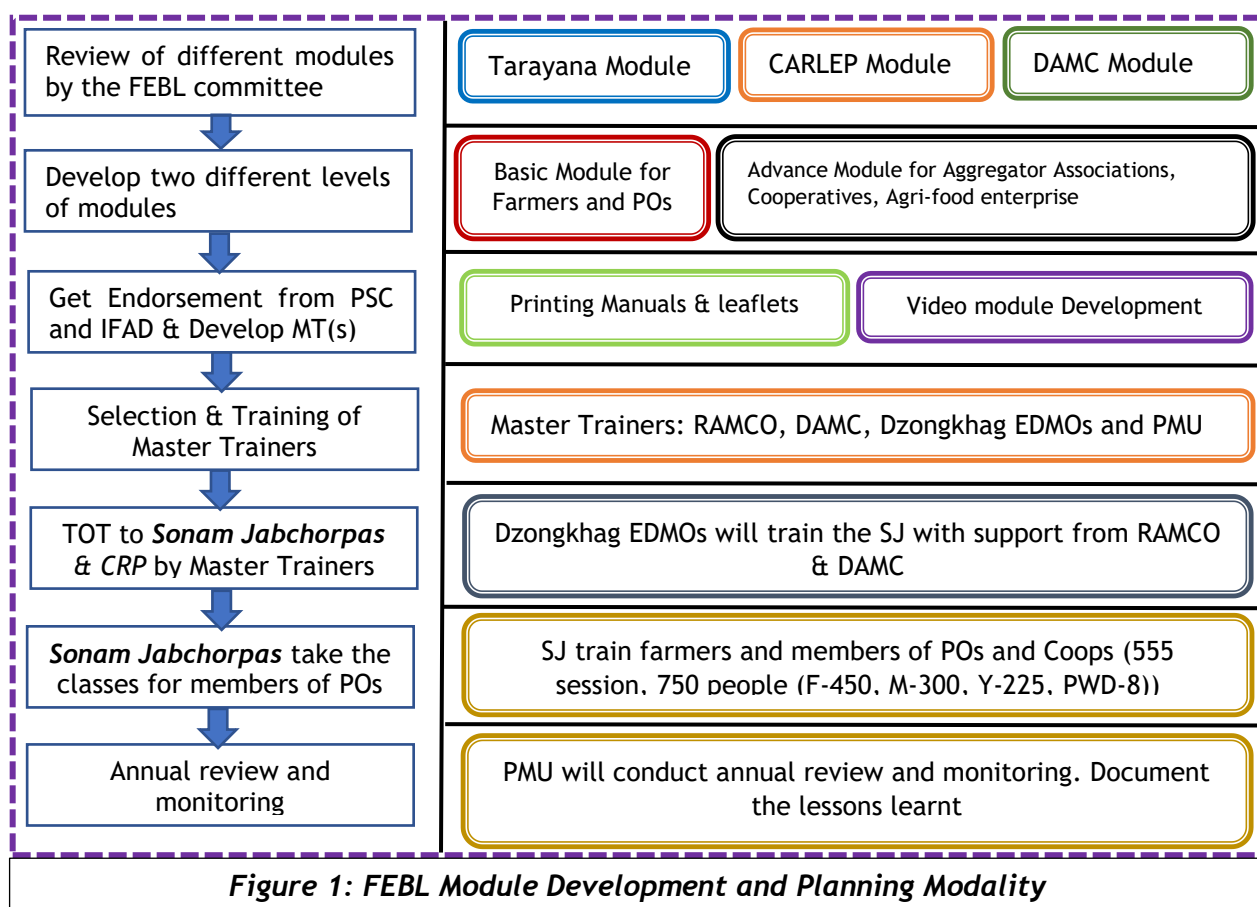
**Business literacy** is the understanding of how businesses work. It empowers people to start and grow their own ventures, make better career decisions, and think strategically. It also supports economic participation and long-term wealth creation.

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FEBL equips individuals to better start viable businesses, generate income, establish sustainable livelihoods, and provide financial security for their families. Furthermore, they can create employment opportunities and contribute to economic development of the country. The training will be provided to youth Hubs, Farmer Groups and Cooperatives (FG/FCs) and entrepreneurs for Small and Medium Enterprise (SME) development. FEBL training will cover the essentials of financial literacy and household finances; basic business skills on managing their farm as a business; design of bankable business plans; and effective financial management of group and cooperative enterprises.

### FEBL MODULES DEVELOPMENT METHOD

Below is the diagrammatic model of FEBL implementation, developed to assist planning, implementation and monitoring which will be enshrined in the Project Implementation Manual (PIM) of BRECSA:



At the outset, a committee will be formed to review the various FEBL modules currently implemented by different agencies. The committee will identify and recommend the two most appropriate modules for field implementation. Basic modules for commercial farmers and members of POs, an advance level for aggregator associations, cooperatives and agri-food enterprises. **Community Resource Person (CRP)** will be identified and selected to support the SJs in training commercial farmers and members of POs using basic module.

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The project's Technical Working Group (TWG) will review the selected modules and recommend changes if any. Upon PSC and IFAD endorsements, training materials such as videos, manuals, leaflets, and brochures is to be developed. To ensure uniformity and to streamline implementation, these standardized FEBL modules will be adopted across 20 Dzongkhags

### FEBL Committee

The FEBL committee will comprise of the following members:

1. Chief EDMO, Cooperative Development Division, DAMC, Chairperson
2. Component Manager, Value Chain & Marketing, Member Secretary
3. Cooperative Strengthening and Marketing Specialist, WFP, Member
4. NPHC
5. EDCU, DAMC
6. Program Officer, CSOs
7. Project Focal from RAMCO, Gelephu, Member
8. Representative of BCCI, Regional Office, Gelephu, Member
9. Dzongkhag Economic Development and Marketing Officer(s), Member

The committee will have specific Terms of Reference (ToR) and meet once annually to review the implementation modality and to document the lessons learnt. The committee will also oversee implementation of FEBL and will ensure targets and outcomes are achieved.

### ToR of the FEBL committee

1. Review FEBL module being implemented by Tarayana Foundation, CARLEP and DAMC
2. Develop most suitable modules for BRECSA project
3. Assist PMU in development of training materials such as video, manuals, leaflets and brochures
4. Ensure FEBL modules are uniformly applied in all project Dzongkhags
5. Ensure SJ(s) and lead farmer are well trained and appropriate training materials are provided adequately
6. Regularly review modules and make necessary enhancement and improvement
7. Assess the impact of FEBL in the field
8. Document the lessons learnt of FEBL implementation

### Selection criteria for CRP

The project will select one lead farmer (LF) each from respective Gewogs to support and assist the SJ to deliver FEBL classes to commercial farmers and members of POs. LF will mobilize participants and jointly teach FEBL to his/her community. The LF will be paid daily remuneration of Nu. 2000 whenever he/she delivers the FEBL classes. Following are CRP selection criteria:

1. Should be resident of that Gewog
2. Must have qualification of class XII and above
3. Must have resided in his/her village for last one year
4. Should be actively participating in Agri-food sector activities in Gewog
5. **Should not have any felony and criminal records with RBP**
6. Priority will be given to the members from POs involved in project implementation

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7. LF must have sound knowledge on local language and culture
8. Female and youth will be given more preference for the inclusiveness

### LF selection method & format

LF selection method and format are imperative to ensure fair, transparent and merit based selection. However, selection procedures also have to address the need of the project considering crucial role to be played.

Name	Qualification (CI XII-3, Above CLXII-5)	Gender (F-5, M-3)	Youth (Yes-5, No-3)	Experience in agri-food sector (1 year-3, More than 1 year-5)	Local resident (Yes-5, No-0)
	Weightage 25%	Weightage 15%	Weightage 15%	Weightage 25%	Weightage 20%
E.g. Dawa	5*25%				

**Table 1: Lead Farmer Selection Method and Format**

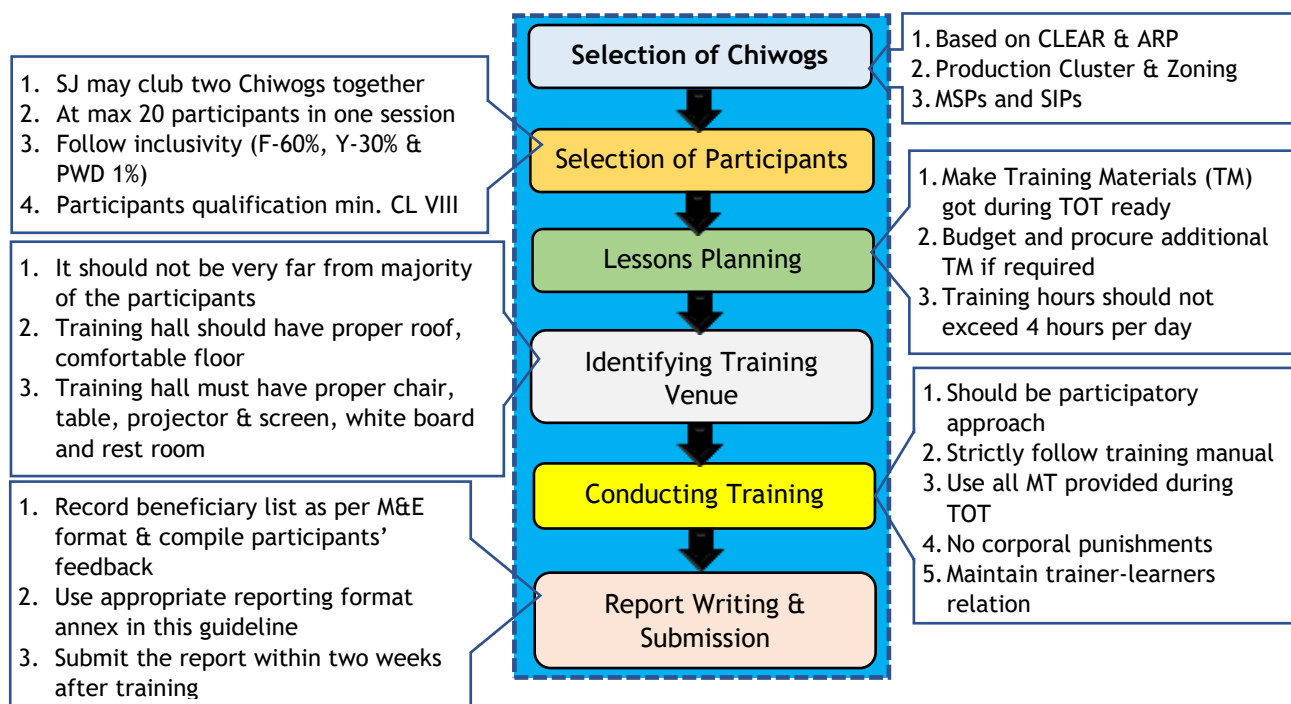
As shown in table 1, the priority of the project is to give opportunity to local resident who have been staying in his/her Gewogs for last two years. The objective is to encourage these LFs to take up agriculture as business and to making living. As required by project, female and youths will be given priority as part of empowering.

## TRAINING DELIVERY PROCESS

### FEBL Implementing Modality

The actual implementation of FEBL in the field will be the responsibility of Sonam Jabchorpa(s) and LFs. However, wherever possible Dzongkhag EDMOs and RAMCO officials will technically backstop the SJs and LFs. The SJs and LFs will select Chiwog, mobilize the participants, identify the training venue and conduct training as per the diagram below:

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**Figure 2: FEBL Implementing Modality for Both Basic and Advance Modules**

The SJs and LFs will impart basic level FEBL training to commercial farmers and members of POs in their respective Gewogs. Dzongkhag EDMOs and RAMCO officials will take lead role to train members of aggregator association, coops and owners of agri-food enterprises using advance level FEBL module.

In every stages of training preparation, SJs will strictly follow the criteria enshrined in the guideline. In all times, SJs shall maintain strict trainers-learners relation with the participants. For effectiveness of the training SJs shall maintain participant limit to 20 participants per session. SJs shall assure same participants attend all the sessions until completion of module. Dzongkhag EDMOs and officials of RAMCO and DAMC will follow as training modality prescribed above. End of every session, trainers are mandatory to compile feedbacks and comments from participants using structured format.

### Training cost estimate

The training cost calculated based on existing rates and as prescribed in existing financial rules and procurement rules, and regulation 2023. The fees for LF which Nu. 2000/day is not explicitly reflected in the existing rules and regulation. However, there is standing executive order from the MoF.

Particular	Rate (Nu.)	Day/Head	Total (Nu.)	Nos. of Training Session	Total Cost of FEBL (Nu.M)
DSA to SJ	1250	3 days	4500	Each Gewog will take 15 session (5	Total budget required for FEBL
<b>Lead Farmers Fee</b>	2000	1 day	2000		

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Lunch & Refreshment for participants	400	22 heads	8800	session per module * 3 batches). For 37 Gewogs 555 sessions	implementation in field (Component 1 & Sub component 1.4) (100% IFAD)
Others (Training materials)	100	20 heads	2000		
<b>Total</b>			<b>17,300/per session</b>	<b>555</b>	<b>9.60</b>

*Table 2: Cost estimate for training 2,220 commercial farmers and members of POs in basic FEBL*

As shown in the table 2, the total approximate cost is calculated to Nu. 17,300 for a session on basic FEBL module. The module has five sessions meaning five separate training to hold for particular batch. The unit cost includes DSA for SJ, fees for LF, working lunch and training materials costs. We have assumed training will be in Gewog or Chiwog hall where we do not have to pay charges. The total costs to implement 555 sessions of FEBL in 37 Gewogs is accounting to Nu. 9.60 million.

A total of 2,220 people are to be trained on FEBL during project period. If we disaggregate the beneficiaries, 1332 female, 888 male, 666 youths and 22 PWDs are expected to benefit from basic level FEBL training. Nonetheless, if found effective based on available fund number of FEBL sessions and beneficiaries may increase.

Particular	Rate	Nos. of Heads	Day/KM	Total	Nos. of Training Session	Total Cost of FEBL (Nu.M)
DSA for Resource Person	1500	3	5	22500	6 sessions each in 4 Dzongkhags	Total budget required to implement 24 sessions of advance level FEBL
Mileage for Resource Person	16	2	300 KM	9600		
Lunch & Refreshment for participants	600	22	3	39600	Budget from component 3, Sub-component 3.1 (100% IFAD)	
Food and Loge for farmers	1000	20	5	100000		
Others (Training materials)	100	20	1	2000		
<b>Total</b>				<b>173,700</b>	<b>24</b>	

*Table 3: Cost estimate for training delivering advance FEBL module*

As shown in the table 3, the total approximate cost is Nu. 173,700 for each session of advance FEBL module. The module has five sessions which may need at the minimum three continues days to complete. The cost includes DSA and mileage for resource persons, food and lodge for participants and training materials costs.

This is higher level of training and participants may come from different Dzongkhags and also beyond project Dzongkhags. Therefore, most probably training may have to conduct in Dzongkhag HQ or nearby towns. Due to that very reason, the unit cost of training is high comparing to basic FEBL module. The total costs to implement 24 sessions of advance level FEBL in four Dzongkhags is accounting to Nu. 4.17 million.

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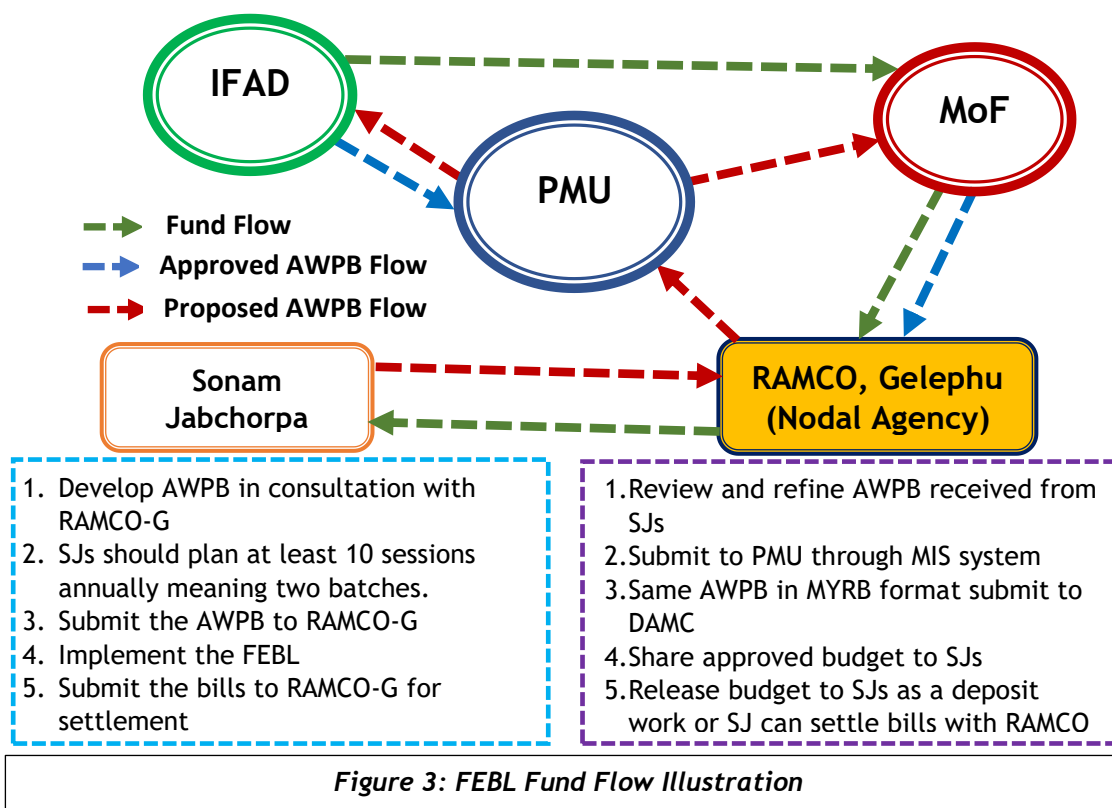
A total 480 members of coops, aggregator associations and owners of agri-food enterprises are expected benefit during project period. If we disaggregate the beneficiaries, 288 female, 192 male, 144 youths and 5 PWDs are expected to benefit from advance level FEBL training.

### MANAGEMENT OF FUND FLOW FOR FEBL CLASSES

The fund flow will be determined by the flows of proposed AWPB and approved AWPB. RAMCO is one of the PUIs and has mandate for planning, implementing and progress reporting in respect to value chain, marketing and access to finance. Hence, RAMCO will be nodal agency for FEBL implementation. Fund flow should route through RAMCO and SJs will implement the FEBL in close consultation with RAMCO and PMU.

As a nodal agency, RAMCO should be held responsible and accountable if FEBL target is not met and expected impact is not generated. SJs stationed in Gewogs will draw AWPB in consultation with RAMCO, Gelephu and submit to then.

SJs should plan at least 10 sessions of FEBL classes in a year and propose budget as per the ceiling prescribed in this guideline. SJs will strictly follow procurement rules and regulations 2023 and other



relevant financial rules while settling the bills. SJs will held accountable if there is any audit observations later.

### REVIEW AND QUALITY ASSURANCE OF FEBL CLASSES

Quality assurance will be major challenges for the PMU when it comes to FEBL implementation. Before implementation, FEBL modules should be thoroughly review and applicable and most

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relevant modules should developed. The FEBL committee should play critical roles to assure quality modules and progressive implementation in the field.

There is need to assure that the master trainers well trained and equipment with fundamental principles, concept and understanding about financial education and business literacy. Quality and suitable training materials are developed and shared with master trainers, SJs and LFs. The nodal agency should also assure adequate and timely budget released to SJs for impact oriented FEBL implementation. SJs and LFs should be steadfast, committed and persistent to train the communities.

### **Participants' Feedback System**

AT the end of every session, trainers are mandatory to collect and compile feedbacks and comments from participants. This is basically, to ensure effective and efficient delivery of classes and to document challenges and issues. Trainers will use standard format to collect feedbacks and comments across all four Dzongkhags. Together with training report, trainers are required to submit the compiled and analyzed feedback forms to RAMCO.

Refer annexure III for feedback format.

### **Frequent Monitoring by EDMOs**

Wherever and whenever possible Dzongkhag EDMOs will visit Gewogs for quick assessment and monitoring of FEBL implementation. They will also inspect lessons plan and actual conducting of the FEBL training. EDMOs will also interact with participants to assess impact of the training. Comprehensive reports of inspections, assessments and monitoring should be submitted RAMCO.

### **Annual Review Meeting**

The FEBL committee will convene annual meeting with FEBL associated stakeholders and review the success, impact and challenges of the FEBL implementation. This will also provide platform for FEBL implementing officials to interact and share lessons learnt, new ideas and issues encountered. SJs, LFs, Dzongkhag EDMOs and RAMCO officials will deliberate and discuss together to find better ways of delivering the training. The meeting will also assess the effectiveness of the modules and if required make an improvement in the modules.

### **Quick Impact Assessment**

Every after two years there will be independent impact assessment of FEBL implementation. The FEBL committee will initiate the impact assessment employing external service providers. Based on the recommendations of the assessment, committee will strive further improve modules and ways of delivering the FEBL classes.

### **AMENDMENT OF THE CHANGE**

This FEBL implementation guideline is a living document and amend as and when new ideas and lessons learnt gathered. However, the changes in the document should be endorsed by PSC and IFAD.



### ANNEXURE I: REPORTING FORMAT FOR FEBL TRAINING

<b>Name of the training:</b> .....					<b>Gewog:</b> .....								
<b>Module:</b> .....					<b>Dzongkhag:</b> .....								
<b>Session:</b> .....													
<b>Name of trainers:</b> .....&.....													
<b>Participant</b>	Livelihood Investment	Home garden	Social inclusion	Dairy Commercial farmer	Ginger & Turmeric commercial farmer	Vegetable commercial farmer	Mushroom commercial farmer	Poultry commercial farmer	Piggery commercial farmer	Coffee commercial farmer			
Female:													
Male:													
Youths (female):													
Youth Male:													
Youth Total:													
PWD (Male):													
PWD (female):													
Participant rating:	Very good:	Good:	Is okay:	Need to improve:	Not good:								
What is the best of this session: 1. .... 2. .... 3. ....													
What are challenges faced in this session: 1. .... 2. .... 3. ....													
What are the lessons learnt during this session: 1. .... 2. .... 3. .... 4. ....													

**ANNEXURE II: PARTICIPANT REGISTRATION FORM**

SI #	Name	Gender	Youth Yes/No	CID #	Chiwog	Village		Signature

*\*\*\* Youth is people age between 18 to 34*

**ANNEXURE III: PARTICIPANTS' FEEDBACK COLLECTION FORMAT**

<b>Name of the Participant:</b> .....			<b>Session Number:</b> .....		<b>Module:</b> .....
<b>Name of the Trainer:</b> .....			<b>Gewog:</b> .....		.....
How satisfied are you with the training?	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
<b>Training Content (Please rate the following (1 = Poor, 5 = Excellent))</b>					
Clarity of presentation					
Depth of information provided					
Engagement & interaction					
Use of training materials/tools					
Time management					
What did you like most about the training?					
Will this training session will help in your commercial farming and agri-food business? (Yes/NO)					
What can be improved for future sessions?					
Any topics you'd like to see covered in future trainings?					
Any other comments/suggestions?					

#### ANNEXURE IV: ACTION PLAN

Sl #	Activity	Responsibility	Budget required (Nu.M)	Quarter				
				Q4 (this FY)	Q1 (2025-2026)	Q2	Q3	Q4
1	Reviewing of FEBL modules currently implemented by DAMC, Tarayana and CARLEP	RAMCO & FEBL Committee, WFP	0.14					
2	Development of modules	RACMO & FEBL Committee, WFP	0.100					
3	Endorsement of and development of training materials	PMU & RAMCO	00					
4	Selection & Training of Master Trainers	RAMCO & DAMC	00					
5	Selection of LF	SJ(s), Dz EDMOs & RAMCO	0.100					
5	TOT for <i>Sonam Jabchorpas</i> & LF by Master Trainers	DzEDMOs & RAMCO, WFP	0.600					
6	Identification of Chiwogs and participants	SJs & LF	00					
7	Implementation of FEBL in Gewogs	SJs & LFs	9.600					
8	Implementation of FEBL for members of coops, Aggregators Association and owner of agri-food enterprise	DzEDMO & RAMCO	4.170					
9	Regular Monitoring	DzEDMOs & RAMCO	0.100					
10	Annual review and lessons learnt sharing event	FEBL Committee, WFP, PMU & RAMCO	0.350					
11	Quick Impact Assessment once in project period	FEBL Committee & RAMCO	0.600					