



**PERFORMANCE AGREEMENT
BETWEEN
SECRETARY, MINISTRY OF INFORMATION AND COMMUNICATIONS
AND
DIRECTOR, DEPARTMENT OF CIVIL AVIATION**

(July 1, 2014 – June 30, 2015)

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Preamble

The Performance Agreement is entered into between the Secretary, Ministry of Information and Communications and the Director, Department of Civil Aviation (DCA).

The objectives of this Performance Agreement are:

- a) To establish clarity and consensus about annual priorities for the Department consistent with the 11th Five Year Plan and other priorities of the Government;
- b) To make the Department fully responsible for driving implementation and delivering the results against the annual priorities;
- c) To provide an objective and fair basis for evaluating the Department's overall performance at the end of year;

The Performance Agreement represents an important accountability mechanism for inculcating a performance based culture at all levels of government.

NOW THEREFORE, the parties hereto agree as follows:

Section 1: Department's Vision, Mission and Objectives

Vision

Safe and reliable air service for national and global connectivity and socio-economic development.

Mission

Promoting the development of safe air services and improved domestic and international air connectivity through professionalization of regulatory functions, establishment of new airports, and a competitive operating environment.

Objectives

The following are the objectives of the DCA:

1. To increase safe, reliable and affordable air transport
2. To improve effective and efficient public service delivery through development of infrastructure and provision of aeronautical services for safe, efficient and economical civil air transport service in Bhutan.

Section 2: Key objectives, priorities, actions, success indicators and target

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6					
Objective	Weight of Objective (%)	Actions	Success Indicator	Unit	Weight of Success Indicator (%)					
					Target / Criteria Value					
					Excellent	Very Good	Good	Fair	Poor	
					100%	90%	80%	70%	60%	
To increase safe, reliable and affordable air transport	14	Reduce lack of effective implementation (LEI) percentage to ICAO acceptable level	LEI % reduced to ICAO acceptable level	%	6	60%	61%	62%	63%	63.5
			Separation of Regulatory & Airport Service Functions of DCA, Finalizing Acts etc.		2%					
			Relocate AFE – start process		0.5%					
			Recruitment of Flight Safety and Airworthiness Experts		1%					
			Enhance security system at PLA		1%					
			Capacity building: train 3 airworthiness officer & 1 flight safety officer, and undertake mandatory training of staff		1%					
			Take actions on USOAP audit findings - PQ		0.5%					
			Passengers handled by PIA increased	No	4	220000	210000	200000	190000	180000
			Modification of existing terminal building (spillover)	1	1					
			Construction of additional car park	1	1					
		Registration of additional land at Paro		0.5%						
		Upgradation/improvement &		1%						

Section 3: Trend values of the success indicators

Objective	Actions	Success Indicators	Unit	Actual for FY 12/13	Actual for FY 13/14	Target for FY 14/15	Projected for FY 15/16	Projected for FY 16/17	Projected for FY 17/18
To increase safe, reliable and affordable air transport	Reduce lack of effective implementation (LEI) percentage to ICAO acceptable level	LEI % reduced to ICAO acceptable level	%	63.5%	61.2%	60%	55%	52%	50%
	Increase passengers handled by PIA annually	Passengers handled by PIA increased	No	160,140	180,000	220,000	250,000	275,000	300,000
	Increase passengers using the domestic sector annually	Passengers using domestic sector increased	No.	1044	2000	2500	4500	7500	10000
	Improve public service delivery	Turn Around Time (TAT)	%						
To improve ease of doing business (Mandatory)	Work on improving resolving insolvency indicator of Ease of Doing Business	Action plan implementation status related to Resolving Insolvency	%						
To implement National Integrity and Anti Corruption Strategy (Mandatory)	Implement national integrity and anti corruption strategy	Monetized RAA observation amount	Million Nu						
		Complaints to ACC	No.						

Section 4: Description, definition and measurement of success indicators

Sl. No.	Success Indicator	Description	Definition	Measurement	General Comments
1	Percentage of passengers handled by PIA increased	Reliable air transport within and outside the country made functional		Physical monitoring	Facilities are checked and provided by the Druk Air and Tashi Airlines Achievement of this target will depend on performance of flight operators and funding support by the Government. Airports are checked and maintained by the DCA.
2	Percentage of passengers using domestic sector increased	Safe and reliable domestic air transport introduced		Physical monitoring	Achievements of this target will depend on the weather condition and number of passengers using domestic sectors

Section 5: Specific performance requirements from other ministries/agencies.

Organization Type	Organization Name	Relevant Success Indicator	What is your requirement from this organization	Justification for this requirement	Please quantify your requirement from this Organization	What happens if your requirement is not met
Government	-Cabinet -Cabinet/RCSC/MoF	Lack of effective Implementation (LEI) % to be reduced to ICAO acceptable level (50%)	-Approval for separation of regulatory and service provider. -Approval to recruit regional experts for USD 1500 pm did not attract any experts. Higher remuneration required. -Capacity building to have at-least 4 certified airworthiness & 1 flight safety inspector. - Other mandatory training	ICAO requirement	Immediately	The safety target will not be achieved.

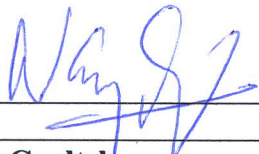
Government	-Cabinet - NLC -MoA - MoF -Airline	No. of passenger handled by PIA and Domestic Airport.	- Relocate AFE - Register of additional land at Paro - Register land at Yongphula - Handover the land at Bumthang to DCA at the earliest possible - Timely availability/release of budget for infrastructure works - Marketing by airline	Need land for airport expansion.	Immediately	The target will not be achieved.
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Whereas,

I, the Director DCA, commit to the Secretary, Ministry of Information and Communications, the Government and the people of Bhutan to deliver the results described in this annual performance agreement.

I, the Secretary, Ministry of Information and Communications, on behalf of the Ministry and the people of Bhutan, to provide the necessary guidance and support for delivery of the results described in this annual performance agreement.

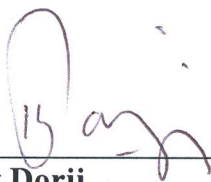
SIGNED:



Wangdi Gyeltshen
Director, Department of Civil Aviation

Date

20.8.14



Kinley Dorji
Secretary, Ministry of Information and Communication



Date