

**ANTI-CORRUPTION AGENCY
STRENGTHENING INITIATIVE
ASSESSMENT OF THE BHUTAN
ANTI-CORRUPTION COMMISSION
2015**

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EXECUTIVE SUMMARY

Over the last two years, Transparency International's Asia Pacific Department has been working with a group of regional and international experts and anti-corruption agencies (ACAs) to develop a collaborative platform to assess the capacities, performance and enabling environment of these agencies. An advisory group coordinated by Transparency International has developed a set of indicators and a benchmarking tool, led by Professor Jon Quah, aimed at highlighting the strengths and weaknesses of ACAs. The assessment of Bhutan's Anti-Corruption Commission (ACC) represents the first time Transparency International has conducted an independent assessment of this sort. The tool will be applied to other countries in late 2015 and beyond. This report is based on an analysis of Bhutan's policy and corruption context, as well as exhaustive research and extended interviews with government officials to develop an agency profile and assess performance and capacity around a series of indicators. The assessment formulates a series of recommendations for the ACC and other government officials.

The assessment has three specific goals: 1) to produce comprehensive qualitative information to evaluate the performance of Bhutan's ACC, including its strengths and weaknesses; 2) to identify capacity and performance gaps in the work of the ACC and formulate recommendations for addressing these gaps; and 3) to provide feedback to further develop the assessment tool, improving its structure and scope before its application in other countries in the region.

The assessment is based on Bhutan's policy context and a brief profile of the ACC. Sections one and two in the document discuss the recent democratisation in the country and the steady progress toward good and effective governance, highlighting that while there are still challenges ahead – namely, improving human rights conditions and the conditions for freedom of expression and strengthening civil society – progress has been made on all dimensions of democratisation.

There is also solid progress in social and economic indicators, despite the lag in literacy, and the economy is in transition. This makes some forms of corruption less likely, but increases the risk of more corruption in the future.

The profile of the ACC underscores its important role in the opening up of government since its inception in 2006. The ACC has made important contributions to citizens' awareness and understanding of the meaning and consequences of corruption. It has managed to acquire a strong reputation very quickly and has built institutional capacity to carry out an extensive mandate and detailed functions related to the broad areas of investigation, research, outreach, education and prevention. The ACC has investigated high-profile corruption cases recently and in one case even prosecuted the case directly, after the Office of the Attorney General (OAG) refused to do so.

The ACC is part of a vibrant regional network of support and has tapped into an international community of practice for furthering its capacities. Its staff, while limited in number, are convinced of the relevance of the ACC mission and the importance of their role in crafting good governance. Despite remaining challenges, the ACC is a consolidated institution with a clear mandate, a clear vision, well-established capacities and strong *sprit de corps*.

In the last nine years, the ACC has received over four thousand claims at an average of 450 per year, though the number has decreased to slightly under 400 a year in the last two years. Complaints are assessed and scrutinized in a committee. About 16 per cent of complaints received each year qualify

for investigation, but only about 3.4 per cent are actually investigated. This is due partly to the limited human resources available to the ACC. There is an important backlog of cases currently being addressed by the ACC.

The assessment itself, fleshed out in section 3, tests 50 indicators, crafted to assess the capacity and effectiveness of Bhutan's ACC, as well as identify gaps and areas of opportunity.¹ The indicators inquire into seven different dimensions:

- 1) Legal basis, independence and mandate of the ACC (seven indicators)**
- 2) Financial and human resources available to the ACC (nine indicators)**
- 3) Detection and investigation (nine indicators)**
- 4) Prevention, education and outreach (nine indicators)**
- 5) Conditions of state support and interagency coordination (six indicators)**
- 6) Oversight and accountability of the ACC's work (seven indicators)**
- 7) Perceptions of effectiveness (three indicators)**

The assessment of Bhutan's ACC is very good. The ACC has scored high in 70 per cent of the indicators assessed, moderately in 26 per cent and low in 4 per cent of the indicators assessed.² The dimensions with the strongest scores are independence, mandate and legal basis, as well as state support and interagency coordination. Outputs related to prevention, education and outreach, along with resources, follow closely.

The table at the end of this summary presents a grid with all indicators and scores (green indicators reflect the highest score, using the standard identified by the methodology, while yellow indicators are tied to an intermediate score and red scores indicate a low score). While all dimensions score strongly, there are several areas of opportunity, the most important being the limited capacity to investigate, based on scarce human resources available in-country, and the limited transparency and opportunities for participation in existing oversight mechanisms.

By dimension, the gaps identified are as follows:

Legal Basis, Independence and Mandate

The process leading to the appointment of the ACC leadership is the only shortfall in the first dimension, as a result of the opacity surrounding this procedure, the lack of public criteria behind the nomination and a justification and rationale by the nominating committee. Recent developments have

¹ Each indicator has three possible scores – high, moderate and low – and three defined levels of value for each indicator, depending on the condition assessed. To score each indicator the research team identified the specific source of information, where necessary, from the ACC's legal basis of support and reports. The team further substantiated each score with in-depth interviews with the ACC's staff and management, as well as interviews with other government agencies, branches of government, media and civil society organisations.

² We were unable to score three indicators, because they require information on the perceptions of ACC users and Bhutan does not have this information.

evidenced this shortfall, since a new chairperson and commissioners were recently appointed, but the deliberation of the selection committee and the specific criteria for their selection were not disclosed.

Financial and Human Resources

Two areas under 'resources' are scored at the moderate level, and one is low, representing the most urgent area of opportunity for the ACC. The high level of attrition is preoccupying, as well as the inability to recruit senior managers, and though some progress has been made, the complexity of cases and the time demands they impose have resulted in not enough expertise or human resources dedicated to investigation. From a financial standpoint, ACC dependence on the Swiss Agency for Development and Cooperation (SDC) is worrying, especially because the SDC is currently preparing its exit strategy from the country. Furthermore, in recent years, the Ministry of Finance has not recommended ACC budget allocations be made at the level requested by the ACC.

Detection and Investigation

Limited human resources are partly to blame for the largest area of opportunity related to investigation functions and outcomes. The limited capacity of the ACC to fully investigate all complaints and the lack of awareness about how the ACC decides and prioritizes what it will investigate affect this score. To improve, more resources should be allocated to investigation, and clear, accessible materials to socialize how the ACC prioritises investigations and the constraints it faces should be developed and made public.

Prevention, Education and Outreach

There are two broad areas of opportunity for improvement regarding education and outreach: 1) Education and outreach objectives are unclear, when they exist, and they are not aligned to long-term strategic priorities; and 2) The communication strategy is very general, it does not discern or target different target audiences, and it has not triggered citizen engagement with the ACC.

Conditions of State Support and Interagency Coordination

The one area of opportunity for improvement in the area of state support and interagency cooperation is provided by the fact that the ACC is not perceived to have the powers needed to effectively investigate all cases of corruption, partly as a result of the human resources issues indicated above, and partly as a result of civil servants and citizens not being sufficiently aware or informed about the difficulties faced by the ACC to recruit senior managers and investigate large, resource intensive cases.

Oversight and Accountability

The dimension that fares less well overall is oversight (it has no indicators at the lowest value, but it has the most at an intermediate level), reflecting the lack of publicity of the good procedures and oversight mechanisms in place. This relates to two different but interconnected gaps: external oversight does not have a monitoring mechanism while internal oversight systems operate effectively

but in a 'black box' that makes it difficult for citizens and organizations to engage and understand. While the work of the legislative committees is good, it is not public. Nor are the internal review mechanisms, and there is no civil society participation in any oversight mechanism.

The development of clear and accessible information to familiarize citizens with how the ACC oversees and disciplines its officers would go a long way in broadening understanding of ACC limitations.

Perceptions of Effectiveness

Finally, the perceptions of the work of the ACC are good but not excellent. The ACC should strive to meet the threshold of 75 per cent of respondents established by the indicator. This target is within range, with 62 per cent of people believing that the ACC is doing a very good job. Because the ACC carries out its own survey, it should also include questions about perceptions of specific components, to guide its actions (sufficient resources, for example). The ACC does not yet carry out user satisfaction surveys to get a better sense of the expectations of its users – and whether and how they are met.

Going Forward

Based on the challenges and opportunities identified and analysed thoroughly and in consultation with relevant parties through the assessment process, Transparency International recommends a number of practical and strategic recommendations for reform listed here and described in more detail in section 4.

System Recommendations

Recommendation 1: Government should identify and satisfy ACC needs required to reduce investigation backlog, increase the number of actual investigations and address concerns about operational autonomy in staff management

Recommendation 2: Government should improve the OAG and the ACC's capacities to prosecute corruption

Recommendation 3: The Ministry of Finance and Parliament should revise their public financial management practices to ensure no needs-based requests are denied for not having been considered in previous planning activities

Oversight and Accountability Recommendations

Recommendation 4: Parliament and the ACC should improve transparency and citizen participation

Recommendation 5: Parliamentary oversight committees should create mechanisms for effective monitoring and follow-up

Recommendation 6: Parliament should develop specific criteria for the selection and nomination of commissioners, improve transparency in the discussions of the selection and nomination committee, and provide an ex post justification of the decisions made by the committee, for public awareness

Recommendations to the ACC

Recommendation 7: The ACC should develop a diagnostic assessment of the HR situation in the ACC and the control system, and a plan to address HR needs in the short and medium term

Recommendation 8: The ACC should work to develop a broader and more nuanced communication strategy that facilitates access to and familiarity with ACC materials, campaigns and procedures from the perspective of citizens

Recommendation 9: The ACC should develop a more nuanced monitoring and evaluation framework, setting targets for all of its activities and adjusting those targets as conditions and resource allocation shift to meet the needs of priority investigation of high-profile cases

Recommendation 10: The ACC should develop a user satisfaction survey to collect detailed information from claimants and citizens filing complaints

Recommendation 11: The ACC should explore ways of ensuring that persons under investigation, and especially persons under interrogation, are treated with dignity and respect

Recommendation 12: The ACC should develop a programme-based financial management system, to more effectively discern between activities by type

Recommendation 13: The ACC should develop a plan for being more proactive, specifically in relation to investigations

The incoming commissioners and chairperson must decisively and definitively address these problems which have persisted for as long as the ACC has existed. There is an ongoing problem of staff shortages and the backlog of investigations threatens the reputation and role of the ACC. Now is an opportune time to address this issue, as changes carried out by the Royal Civil Service Commission (RCSC) and parliamentary interest in addressing the question of delinking the ACC from RCSC rules, create the conditions for a broad national dialogue on the way forward. It is the opinion of the researchers involved in this assessment that the only way to address human resources scarcity is *integrally* whether the ACC is effectively delinked from the RCSC or not.

Finally, it is important to act now to stay ahead of the curve. There is an expectation in Parliament, amongst media and in the ACC proper, that acts of corruption will decrease over time. International experience suggests otherwise. For a variety of reasons that include private sector development, international trade with countries where corrupt practices are more prevalent, the devolution of functions and resource allocation to the local level, as well as resource shortages in the broader system of external control and justice procurement, there is likely to be an *increase* in high profile corruption cases in the future, not a decrease. The ACC has the great advantage of having a wealth of knowledge and processes facilitating proactive action to effectively fight corruption.

Table 1. Assessment Summary: Indicators by Dimension (more detail provided in section 3)

DIMENSION	INDICATORS						
	Independence	Mandate	Legal powers	Appointment of commissioners	Removal of commissioners	Operational autonomy	
LEGAL BASIS, INDEPENDENCE AND MANDATE (7)						Political use of powers	
FINANCIAL AND HUMAN RESOURCES (9)	Budget proportion	Budget sufficiency	Budget stability	Staff salary	Staff selection	Staff expertise (investigation)	Staff training
	Accessibility	Responsiveness	Willingness to investigate	Cases investigated	Efficiency	Conviction rate	Restitution and asset recovery
PREVENTION, EDUCATION AND OUTREACH (9)	Budget	Prevention initiatives	System/ agency reviews	Prevention recommendations	Outreach and education plans	Stakeholder engagement	Campaigns
	Government support	Cooperation with agencies	Cooperation with civil society and private sector	International participation	Cooperation with other countries' ACAs	Public confidence in state endowed ACA with powers and resources for curbing corruption	Website and social media
OVERSIGHT AND ACCOUNTABILITY (7)	Annual report	Oversight mechanisms	Internal complaints procedure	Staff disciplinary	Treatment of persons under investigation	Impartiality and fairness	Impartiality and fairness, among users
PERCEPTIONS OF EFFECTIVENESS (3)	Effectiveness in corruption control	Effectiveness in corruption control among users	Effectiveness in corruption control among female users				

INTRODUCTION

The UN Convention against Corruption prescribes the existence of independent bodies established through national legal systems to enforce, implement and promote anti-corruption policies and principles. A well-functioning oversight mechanism with a focus on anti-corruption is absolutely vital for good governance in any country context. Meanwhile, the 2012 Jakarta Principles³, developed in consultation with Anti-Corruption Agency (ACA) heads, practitioners and experts from around the world, represent a widely accepted standard to which ACAs can be held accountable.

In practice, assessment against these standards is sporadic, due in part to the lack of political will by governments to scrutinise their own oversight mechanisms. Another reason is the absence of a coherent and practicable way in which to measure performance. Transparency International has responded to this opportunity by developing an initiative aimed at strengthening ACAs in the Asia Pacific Region. The proposed 'Anti-Corruption Agencies Strengthening Initiative' combines biennial assessments of ACAs with sustained engagement, dialogue and advocacy at both national and regional levels.

Under this initiative, Transparency International has developed a practical and comprehensive benchmarking tool aimed at highlighting the strengths and weaknesses of ACAs. The assessment tool was developed between 2013 and 2015 through a collaborative dialogue between Transparency International, interested staff from ACAs in the Asia Pacific region and a group of experts convened by Transparency International.

Between June and August 2015, Transparency International carried out an assessment of the Anti-Corruption Commission (ACC) of Bhutan. The assessment was aimed at providing the Bhutan ACC with up-to-date information regarding its performance and opportunities for improvement. Bhutan's ACC has a strong reputation nationally and has good relations with other ACAs and relevant bodies regionally. In July 2015, the ACC Chair and two Commissioners' terms came to an end and a new leadership was appointed. With this significant transition on the horizon, the ACC decided that this was the appropriate time to reflect on its strengths and weaknesses in order to influence strategic decisions and operations going forward. Transparency International's tool provided the appropriate framework with which to make such an assessment. In addition to a comprehensive evaluation of performance in relation to a set of robust indicators, the report provides practical solutions to key challenges listed as recommendations for reform. This report therefore serves as a guide for both the ACC as well as other interested parties to strengthen and expand the impact of anti-corruption efforts in Bhutan.

ABOUT THE ASSESSMENT

Bhutan's ACC commissioned Transparency International to carry out an assessment of the commission between June and August 2015. The research was led by independent consultant, Jorge Romero León, in collaboration with TI's Asia Pacific Department and TI's partner organisation in country, the Bhutan Transparency Initiative (BTI).

³ The principles can be found in UN Office on Drug and Crime, *Jakarta Statement on Principles for Anti-Corruption Agencies*, 26–27 November 2012, available at https://www.unodc.org/documents/corruption/WG-Prevention/Art_6_Preventive_anti-corruption_bodies/JAKARTA_STATEMENT_en.pdf.

The assessment process was comprised of a document analysis, including review of laws and media pieces, followed by semi-structured interviews and focus group discussions with key stakeholders—primarily within the government but also with non-state actors. Fieldwork took place from 3 to 10 June 2015 in Thimphu. A draft report outlining key findings and recommendations was produced which was first reviewed by the ACC for accuracy and completeness, before being presented to relevant stakeholders for feedback, and to initiate dialogue on key issues. Consultations and validation meetings took place from 10 to 13 August in Thimphu (see Annexes 2 and 3 for a list of people interviewed and consulted).

The assessment tool is designed to capture internal and external factors affecting the ACA as well as getting a sense of the ACA's reputation and actual performance. With this in mind a comprehensive indicator framework, made up of a total of 50 indicators, has been developed in consultation with experts (see Annex 1 for more information). These indicators were formulated to develop a broad platform to assess the capacity and effectiveness of the ACC, and to identify gaps and areas of opportunity.

The indicators inquire into seven different dimensions:

- 1) Legal basis, independence and mandate of the ACC (seven indicators)**
- 2) Financial and human resources available to the ACC (nine indicators)**
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Each indicator has three possible scores – high, moderate and low – and three defined levels of value for each indicator, depending on the condition assessed. To score each indicator the research team identified the specific source of information, where necessary, from the ACC's legal basis of support and reports, and further substantiated each score with in-depth interviews with the ACC's staff and management, as well as interviews with other government agencies, branches of government, media and civil society organisations.

This report is divided into five sections. Section 1 presents Bhutan's basic economic, social and political characteristics, in addition to its perceived level of corruption. Section 2 explores the legal and institutional conditions in which the ACC operates, as well as its place in the Bhutanese control and public management systems. Section 3 presents key findings and a detailed assessment of each indicator, with comments on key issues and specific gaps identified. Section 4 presents a brief set of conclusions, and Transparency International's recommendations for strengthening the ACC.

1. BHUTAN'S POLICY CONTEXT AND PERCEPTIONS OF CORRUPTION

ECONOMY

Bhutan is a lower middle-income country with a very small population and a promising but hindered economy. With a population of roughly 745,000, and a gross domestic product (GDP) per capita of US\$2,728 (\$US6,864 after adjusting for purchasing power parity, PPP), it has one of the highest income levels in South Asia. Bhutan has a landmass of roughly 40,000 square kilometres, almost equivalent to that of Switzerland's.⁴

The country's economy has experienced formidable growth in the last 15 years, as a result of a transition from an agriculture-based economy to one based on industry (mainly the hydropower sector) and tourism.⁵ GDP grew at a formidable average of 8.4 per cent between 2003 and 2012, before settling back down at around 5 per cent in 2013 and 6.35 per cent in 2014.⁶

Bhutan's medium-term outlook is favourable, and growth should remain strong at around 6–7 per cent, driven by hydropower, manufacturing, and domestic services (tourism). The current account deficit has widened to an estimated 23 per cent of GDP in 2013, driven in part by strong imports related to the hydropower sector, but the overall balance of payments deficit was 5 per cent of GDP, due to sizeable grants and loan disbursements.⁷

⁴ Sources: International Monetary Fund, *World Economic Outlook Database* (2014), available at www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx. Also World Bank, *Country Overview: Bhutan*, undated, available at www.worldbank.org/en/country/bhutan/overview.

⁵ The production base of the economy was mostly agriculture until the early 1990s. Agriculture contributed about one half of the country's total output in the mid-1980s, but by 2012 the contribution of agriculture, industry and services (mostly tourism) to GDP was 17 per cent, 39.3 per cent, and 43.7 per cent, respectively. See Asian Development Bank, *20th by 2020: Bhutan's Drive for Improved Governance* (Manila: 2014), especially pp. 2–5, available at www.adb.org/sites/default/files/publication/59695/bhutan-drive-improved-governance_0.pdf.

⁶ IMF, 2014.

⁷ IMF, 2014.

Table 2: Policy Context of Bhutan

DIMENSION	DATA	DATA SOURCE(S)
Land area (in sq km)	38,394 square km	Bhutan at a Glance (National Statistics Bureau, 2014)
Size of population	745,153	
GDP per capita (US\$)	2,728	IMF World Economic Outlook
Type of government	Democratic constitutional monarchy	Asian Development Bank
Voice & accountability	-.18/2.5 (43rd percentile)	
Political stability	.80/2.5 (70th percentile)	
Government effectiveness	.36/2.5 (65th percentile)	World Bank Worldwide Governance Indicators, 2013
Rule of law	.25/2.5 (60th percentile)	
Regulatory quality	-1.1/2.5 (14th percentile)	

The Global Competitiveness Index places Bhutan in a stage of transition from a factor driven economy to an efficiency driven economy. Although Bhutan is mostly on par with other emerging and developing countries in Asia, it scores below them in key economic sectors, including financial market development, technological readiness, market size and business sophistication.⁸ The most problematic factor for doing business, by far, is access to financing. The macroeconomic environment is also scored at a full point below the regional average.

According to the World Bank, Bhutan's economy remains dominated by state-owned enterprises, with private sector contributing only 8 per cent of national revenue. Private sector development is limited by the absence of scale economies, unequal access to finance, mismatched skills in the labour force, and the lack of adequate infrastructure.⁹

The worldwide governance indicators for Bhutan report an unusually low score for regulatory quality (14th percentile, which means that 86 per cent of countries score better than Bhutan). This may have something to do with the limited size of the Bhutanese government¹⁰, its administrative apparatus and the norms and regulations stemming from it; and with the limited scope and diversity of the Bhutanese economy. These factors may adversely affect the perception of regulatory quality, but they are not suggestive of major problems in the country, in its market economy or the government's involvement in it.

It is important to emphasize these factors because maintaining low levels of experienced and perceived corruption as the economy develops (see below), new sectors grow and government regulatory capacity is tested, will be a difficult task for the government and the ACC.

⁸ ACC, 2013, p. 128.

⁹ World Bank Group, 2013, pp. 5–6.

POLITICS AND SOCIETY

In political terms, the country is undergoing an atypical and very recent democratic transition. It is atypical because it was led by the king, without political opposition or demands for openness.¹¹ It is recent because the Constitution was only drafted in 2002, and signed in 2008.

Bhutan's transition to democratic governance began in 1998, when the fourth king relinquished his position as head of the government, and appointed a prime minister. The executive power was devolved to the elected Council of Ministers, headed by the prime minister. In 2002 Bhutan started drafting a Constitution, and establishing legislation, policies and institutions in anticipation of the Constitution's ratification (one of these institutions, created before ratification of the Constitution in 2006, was the ACC).¹² As a result, Bhutan is a democratic constitutional monarchy with a two-body legislative power, which includes the 47-member National Assembly and the 25-member National Council. The government is led by a Cabinet named by the prime minister and organised in 10 ministries with four constitutional bodies; the Election Commission of Bhutan, the RCSC, the Royal Audit Authority (RAA) and the ACC.¹³

Bhutan has enjoyed considerable political stability following the introduction of parliamentary democracy. There have been two parliamentary elections held (in 2008 and 2013), and the diversification of its mandate and stability resulting from the second parliamentary election have been interpreted as a strong sign of democratic consolidation.¹⁴ Local elections were held for the first time in January 2011. The second parliamentary elections were successfully held in mid-2013. With an overall voter turnout of 66.1 per cent, the winning party secured 32 of 47 National Assembly seats.¹⁵

In addition to elections being held regularly, authority is gradually being devolved from the central government to local government. Bhutan is divided into 20 districts (dzongkhags), each of which is headed by a district administrator (dzongda), 205 blocks (gewogs) headed by an elected block head (gup), and four municipal administrative bodies (thromde), headed by an elected mayor (thrompon). Each local area is responsible for creating and implementing its own development plan in coordination with the district, or dzongkhag.

The research team's experience on the ground reflects the perception of recent assessments of the quality of democracy in Bhutan: *democracy seems to be advancing*. There are challenges ahead, however. The Freedom House assessment of freedom in the world classifies Bhutan as "partly free", with a score of 3.5 (where 1 is the highest score and 7 is the lowest). This rating is due to existing limits to protests and demonstrations; the constraints faced by media, which is often dependent on government advertising; the obligation to register non-governmental organisations with the government; and unresolved grievances faced by ethnic Nepalese.¹⁶

Bhutan's most recent Universal Periodic Review process in the UN took place between April and July 2014, and it indicates a largely stable human rights situation notwithstanding some significant gaps and problems. While most countries commended Bhutan's representatives on recent efforts,

¹¹ Turner, Mark, Sonam Chuki and Jit Tsering, "Democratization by Decree: the Case of Bhutan", *Democratization* (2011), 18:1, pp. 184–210.

¹² Toward the end of 2006, the fourth king abdicated and his eldest son, Jigme Khesar Namgyel Wangchuck, became Bhutan's fifth hereditary king.

¹³ The Constitution of the Kingdom of Bhutan can be consulted online at www.bhutanaudit.gov.bt/About%20Us/Mandates/Constitution%20of%20Bhutan%202008.pdf.

¹⁴ Turner, Mark and Jit Tsering, "Second Elections and Democratic Consolidation: The Case of Bhutan", *Asian Journal of Political Science* (2014), 22:3, pp. 315–334.

¹⁵ Asian Development Bank, 2014.

¹⁶ Freedom House, *Freedom in the World 2014: Bhutan*, available at <https://freedomhouse.org/report/freedom-world/2014/bhutan>

particularly regarding poverty reduction, most also underscored the concerning situation in relation to children and women's rights, especially in rural areas, and domestic violence. Recommendations were also issued for Bhutan to adopt and ratify a broad range of human rights instruments it has so far failed to ratify.¹⁷

From the perspective of civil society there are important gaps to address. The sector is considered weak by most development stakeholders and civil society organisations the research team spoke to. There are a limited number of civic organisations, especially in rural communities, and their capacities are limited, though currently being developed. The national registry has fewer than 50 organisations listed. Most organisations support the provision of services, and do not carry out policy and accountability related advocacy. The media, meanwhile, is considered unusually consolidated, not very diverse and operates with limited resources.

While there are still challenges ahead – namely, improving human rights conditions and the conditions for freedom of expression and strengthening civil society – progress has been made on other dimensions of democratisation.

One additional factor to consider in context is that Bhutan does not have a freedom of information law. Government information is generally not considered public and the discussion of transparency and the right to know has no relation to the efforts to promote integrity and curb corruption.

Most poverty and social indicators are mid-level but strong, especially health, access to healthcare and access to improved sanitation. Bhutan is considered to be a star performer in poverty reduction, with only 12 per cent of the population below the national poverty line in 2012, having fallen from 23 per cent in 2007. Bhutan is the third-least poor country in South Asia, behind Maldives and Sri Lanka.¹⁸

Nevertheless, the National Statistics Bureau carried out a poverty assessment with World Bank support in 2014, and found a significant but unequal reduction of poverty. Most of the poverty reduction has occurred in the rural areas with little change in urban poverty rates. Inequality has not changed significantly, and poverty reduction in dzongkhags is uneven, leaving some stuck in poverty. Significantly, the study also found that female-headed households have a harder time reducing poverty.¹⁹

One additional issue in which there are important gaps to be addressed is literacy – which adversely affects upward mobility. Most social development indicators in the country are on par with countries in similar development conditions in the region, but the literacy rate is persistently low (it has risen from 43 per cent in 2003 to 63 per cent in 2013, which is a remarkable improvement but still leaves out over 35 per cent of the population).²⁰

Literacy is important not only to upward mobility and development broadly but to governance specifically, as literacy facilitates engagement of government authorities with citizens to demand rights, to participate in public decisions, especially at the local level, and to challenge corruption. From

¹⁷ The final report of the Working Group on the Universal Periodic Review - Bhutan can be found in the Human Rights Council 27th session agenda item, available at <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/G14/070/60/PDF/G1407060.pdf>.

¹⁸ World Bank Group, *Bhutan Partnership Country Program Snapshot* (2013), available at www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/10/09/000442464_20131009151116/Rendered/PDF/817030WP0Bhuta0Box0379842B00PUBLIC0.pdf, p. 5.

¹⁹ National Statistics Bureau, *Bhutan Poverty Assessment 2014* (2014), available at www.nsb.gov.bt/publication/files/pub2yu10210bx.pdf.

²⁰ National Statistics Bureau, 2014.

the perspective of integrity promotion, while there have been efforts to reach out to rural communities to promote integrity work, the literacy level makes it difficult to rely on easily accessible materials.

LEVELS OF CORRUPTION

Good governance is one of the four pillars of Bhutan's overarching development paradigm, gross national happiness. The promotion of integrity and concerted efforts to combat corruption are key components of the 11th Five-Year Plan 2013–2018, and key result areas relate to transparency, accountability and increased citizen participation in democratic governance.

The perceived extent of corruption in Bhutan is low, and this is expressed consistently across different survey instruments. Transparency International's 2014 Corruption Perceptions Index (CPI), which measures corruption risks in the public sector based on expert opinion, places Bhutan at number 30 of the world's 175 countries assessed, with a score of 65/100. This means that Bhutan performs better than its neighbours, including China (score: 36, rank: 100) and India (score: 38, rank: 85), and much better than Bangladesh (score: 25, rank: 145) and Nepal (score: 29, rank: 126), which have significantly lower evaluations. This places Bhutan among the top performing 20 per cent of countries globally, with little variation in the last three years (the score was 63, 63 and 65 in 2012, 2013 and 2014 respectively).²¹

Two other indicators, the World Bank's Control of Corruption and the World Economic Forum's Assessment of Irregular Payments and Bribes, paint a similar picture. The World Bank scores Bhutan 0.82 on a -2.5 to 2.5 scale for Control of Corruption, placing it in the 78th percentile (only 22 per cent of countries score better).²² The World Economic Forum's Payments and Bribes indicator scores Bhutan 4.8 on a 0 to 7 scale, and ranks it 39/144 countries for 2014.²³

One more additional source, significantly, is the Bhutanese ACC's own Corruptions Perception Survey, now incorporated into the country's "National Integrity Assessment", which surveys a representative sample of service users in the country to produce an Integrity Score combining internal and external experience and perceptions of corruption.²⁴ The Integrity Score for 2013 was 8.37 on a scale of 0 to 10. 65.5 per cent of respondents reported perceiving a reduction of or decrease in corruption in the previous five years, and 64.9 per cent perceive the ACC to be *very effective*.²⁵ Significantly, the survey reported a very high 9.91/10 score for experience of corruption, meaning very few survey respondents reported having experienced corruption directly (less than 0.5 per cent of respondents). Slightly more respondents perceived corruption to be present despite not having experienced it directly.

In sum, corruption is not perceived as prevalent, and while there are documented cases of corruption and the experience of corruption has been captured by surveys, this is still an anomaly. This partly explains why perceptions of corruption are so robust.

²¹ For all results see <http://www.transparency.org/cpi2014>.

²² See <http://info.worldbank.org/governance/wgi/c33.pdf>. For a detailed explanation of methods see Kraay, Aart, Daniel Kaufmann and Massimo Mastruzzi, "The Worldwide Governance Indicators: Methodology and Analytical Issues", World Bank Policy Research Working Paper 5430 (2010), available at: <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-5430>.

²³ Online country information for Bhutan available at <http://reports.weforum.org/global-competitiveness-report-2014-2015/economies/#indexId=GCI&economy=BTN>. Country profile in print format (and disaggregated score) available at <http://www3.weforum.org/docs/GCR2014-15/BTN.pdf>.

²⁴ In 2012 the survey sample of respondents was 14,478, with a 61.5 per cent response rate. ACC, *National Integrity Assessment Report 2012* (2013), available at www.acc.org.bt/sites/default/files/NIA%202012%2015-08-2013_0.pdf.

²⁵ ACC, 2013.

Table 3: Perception of the ACC Performance in Three Global Indicators, 2013–2014

INDICATOR	RANK AND SCORE
CPI 2014 (Transparency International)	65/100 – 30 of 175 countries
Control of Corruption 2013 (World Bank)	0.87/2.5 – 78 th percentile
Irregular Payments & Bribes 2014 (World Economic Forum)	4.8/7 – 39 of 144 countries

2. INSTITUTIONAL BACKGROUND AND PROFILE OF THE ACC

The ACC Commission is an independent constitutional body, as established in art. 27 of the Constitution. The ACC was created through a royal decree on 31 December 2005 as part of the government's modernisation and democratisation efforts and began work in January 2006. It is headed by a chairperson and two commissioners appointed by the king, upon recommendation of a five person council including the heads of the three branches of government (which includes the National Council as part of the Parliament) and the leader of the opposition in Parliament.²⁶

The 2006 Anti-Corruption Act, which was the basis for the ACC's work when it was first established, was amended in 2011 to institute a comprehensive standalone anti-corruption law based on the United Nations Convention against Corruption. Because the ACC is an independent authority in constitutional terms, it occupies an important position in the Bhutanese system of government: It has complete autonomy in defining and executing its budget, and in establishing its personnel and staff needs. The staff, however, are members of the Civil Service and must be appointed and removed following the Civil Service Act of 2011. The RCSC, also a constitutional agency, was created in 1982 before full democratisation to ensure the development of capable and expert HR in government administration.

The ACC can investigate any act of corruption by civil servants and public officials, by private sector and civil society members and by foreign officials in Bhutan. It receives complaints directly from citizens and public officials, and deals with cases of alleged corruption from the RAA, with which it closely collaborates. The RAA specifically turns the cases that require criminal indictment of corruption offences over to the ACC, for investigation and prosecution – the RAA does not investigate them directly. The ACC also investigates corruption cases proactively, of its own accord, albeit in few instances. The ACC turns cases over to the OAG for prosecution, but it can also prosecute directly, when the OAG refuses to prosecute. This has happened only once – see section 3. This provision, seldom used before 2012, was incorporated explicitly in the Anti-Corruption Act when it was reformed, in 2011. Section 3 of article 128 states:

²⁶ The criteria for selection are established in the Anti-Corruption Act. Government of Bhutan, *The Anti-Corruption Act of Bhutan 2011* (2011), chapter 2, articles 10–12, available at www.acc.org.bt/sites/default/files/ACA%202011_1.pdf.

Notwithstanding subsection (2) [regarding referral to the OAG for prosecution], the Commission may carry out its own prosecution of a person charged with an offence under this Act or take over the prosecution process from the Office of Attorney General when the case is: a) Delayed without a valid reason; b) Manipulated; or c) Hampered by interference.²⁷

RESOURCES

The ACC operates on a substantive budget allocation facilitated by direct cooperation from the Swiss Agency for Development and Cooperation (SDC). In the last full year for which the budget is available (2013–2014), the ACC had a budget of 121 million Bhutanese Ngultrum, roughly US\$1.9 million dollars, of which it expended US\$1.62 million. 62 per cent of this expended budget was allocated from SDC funds, although it is usually about 50 per cent of the budget, and will be so again in 2015.²⁸ These funds are allocated without compromising the independence of the Agency, usually allotted for infrastructure spending and human resource development, in accordance with ACC activities identified through its own planning process.

More importantly, in the last two years the Finance Ministry has recommended a budget allocation below the ACC request (10 per cent below in 2015, and 33 per cent below in 2016). While only part of the reduction to the request is made to investigation, and most of the reduction in 2016 was made to a proposed new building in Phuentsholing, these reductions are a clear indication that the ACC requests are not fully met.²⁹

The agency operates with 78 full-time staff in addition to the chairperson and commissioners: 37 are integrity promotion officers, 5 are legal officers, and 28 are with corporate services, which also includes support staff.³⁰

STRUCTURE

The ACC's vision is of a corruption-free society, and its mission of corruption elimination has three components: (i) leading by example, (ii) focusing on partnerships, and (iii) mainstreaming anti-corruption measures. The ACC's 2013–2018 Five-Year Plan lays out the following outputs: (i) to build ACC as an effective and a credible institution in fostering zero tolerance for corruption in Bhutan, (ii) to create an informed citizenry to enlist their support to create a social fence against corruption, (iii) to mainstream anti-corruption measures in public and private institutions, (iv) to deter acts of corruption through investigations without fear or favour, and (v) to contribute to building an honest and ethical society.

The main functions of the commission are laid out in article 3 of the Anti-Corruption Act, and include prevention of corruption, education and investigation. A more detailed list of functions is laid out in article 25. In addition to its review of complaints and investigation functions, it includes examination of

²⁷ Government of Bhutan (2011).

²⁸ ACC, *Annual Report 2014* (2014), pp. 48–50, available at www.acc.org.bt/sites/default/files/ENGLISH%20ANNUAL%20REPORT%202014.pdf.

²⁹ See the 2015 budget report: Ministry of Finance, *National Budget for the Financial Year 2014-15* (2014), p. 62, available at www.mof.gov.bt/wp-content/uploads/2014/07/BR2014-2015ENG.pdf, p. 62; and the 2016 budget report: Ministry of Finance, *National Budget for the Financial Year 2015-16* (2015), p. 66, available at www.mof.gov.bt/wp-content/uploads/2014/07/BudgetReport2015-16.pdf.

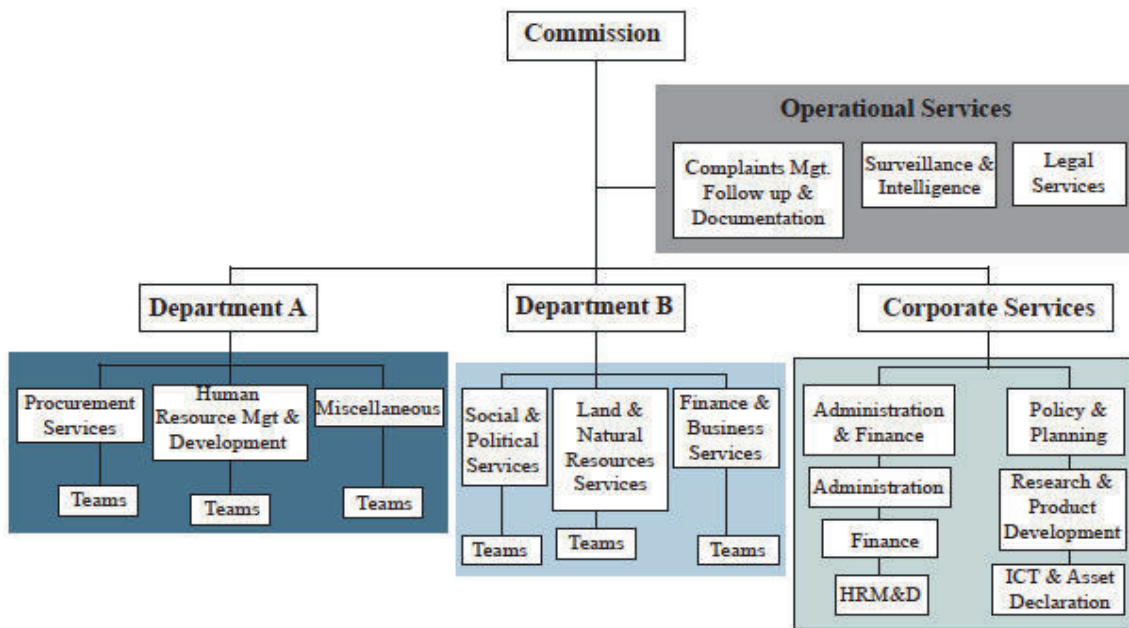
³⁰ Ministry of Finance (2015), p. 37.

practices and procedures, advice to public officials/private entities to eliminate corrupt practices, and research on corruption trends and practices in the country.

To carry out its work, the ACC originally had function-specific teams, which undertook investigation, education and prevention activities, with an additional “legal” area. This structure was adjusted in 2010 and further in 2013, and the new structure works on the basis of issue-specific teams, or “task forces”, which take on cases and work on systemic issues and mainstreaming recommendations and outreach activities by *area*. This means the ACC has separated its internal management (what it calls “corporate services”), as well as operational procedures’ staff and activities, from the work of the task forces, which are functionally grouped in two departments (A and B).

Working on the basis of teams or “task forces” has made it easier to allocate financial and human resources flexibly to meet the needs and demands of large cases being investigated. It has also fostered specialisation of staff, who take on investigation and prevention activities in a specific area of concern (prevention activities include outreach and education as well as formulating systemic recommendations and mainstreaming integrity practices in different government agencies). Furthermore, the task forces comprise both junior and senior investigators, enabling staff development in the medium and long term.

Figure 1: Revised Structure of the ACC



In the last nine years, the ACC has received over four thousand claims, an average of 450 annually, though the number has trended down to slightly under 400 a year in the last two years. Complaints are assessed and scrutinised in a committee, and one of four actions is taken: investigation, “discreet inquiry” to further substantiate the complaint, referral to the relevant agency for issues unrelated to corruption, or “drop”.

About 16 per cent of complaints received yearly qualify for investigation, but only about 3.4 per cent are actually investigated. This has created a backlog that is currently being addressed by the ACC.³¹

The criteria for investigating complaints are clearly laid out in the Complaints Management Policy and Procedures Manual. A complaint evaluation committee reviews complaints and scores them on a specific point-value scale. Complaints above a certain threshold qualify for investigations.

Decisions over what to investigate with the limited resources available are made by the commission and the respective directors, depending on urgency and relevance. In 2013, of the 393 complaints received, 56 qualified for investigation and 12 were investigated. From 2014 through to March 2015, of the 336 complaints received, 47 qualified for investigation and 13 were investigated.

In addition to complaints, the ACC receives referrals from the RAA (these are aggregated in the complaints total, but processed separately). In its nine years of operation the ACC has received 85 referrals from the RAA, an average of slightly over nine per year. Of this total 34 qualified for investigation. Of these 34, 18 were referred for prosecution and 13 were shared with agencies for internal administrative control. Three more are pending investigation.

Of all complaints received through March 2015, 635 qualified for investigation, 142 have been investigated and 112 investigations have concluded. 30 investigations are still underway. Of the 112 concluded investigations, 73 cases were referred for prosecution, 67 were prosecuted by the OAG and one was prosecuted by the ACC itself. 51 cases have led to sentencing, resulting in 47 criminal convictions and four acquittals.³²

PREVENTION, EDUCATION AND OUTREACH

In addition to its investigations, the ACC formulates recommendations to the government agencies it works with to prevent corruption. These recommendations are formulated in two ways:

- 1) As a “systemic” study which focuses on vulnerability and integrity practices around key issues. The ACC has drafted 12 systemic studies, four of which were written after an investigation was completed, to deepen and broaden the understanding of the conditions enabling the corruption practices found.
- 2) Within investigation reports. Each report includes “improvement recommendations” that address legal and institutional gaps.

The rest of the prevention activities can be subsumed under (i) control procedures, (ii) collaboration efforts with other government agencies, and (iii) outreach efforts with local governments, civil society organisations and the private sector.

1. Control procedures refer to the mechanisms through which the ACC collects asset declarations from civil servants, politicians and employees of organisations that use public resources. The ACC has been in charge of asset declaration control since 2006, but compliance was difficult until rules changed in 2012, as a result of the revision of the Anti-Corruption Act 2006.
2. Collaboration efforts, which include:

³¹ All data are from ACC, 2014. Complaints and investigations data are from pp. 116–117.

³² ACC, 2014.

- 1) Work with the Royal Institute of Management (RIM) to produce and broadly train private and public sector professionals on basic ethics and integrity content. The ACC works with the RCSC and the RIM to offer an online integrity course, which has been completed by over a thousand civil servants to date.
 - 2) Work with the Parliament and the Judiciary to train members of the Parliament and local and district judges on integrity and corruption provisions and best practices. Many judges are not up to date on the legal technicalities of corruption practices and do not consider conflict of interest or quid pro quo exchanges between parties acts to be subject to review. The ACC has made an effort to work through the Judiciary to develop and modernise judges' understanding of public sector management best practices on integrity, as well as their legal basis.
 - 3) Training and outreach to develop programmes accessible to youth.
3. Outreach efforts include periodic visits to all dzonkhags (regional government) and district governments, and work with civic organisations to promote social accountability practices at the local level through a battery of tools (including applied budget work, social audits, community scorecards, community monitoring activities and others).³³

There is a project to liaise with the private sector underway; implementation has just begun and it will create the conditions for private sector engagement in integrity promotion and corruption prevention.³⁴

³³ Details of the outreach and social accountability work are found in the ACC, 2014, pp. 15 and 85–89.

³⁴ The private sector integrity programme was developed by Transparency International Malaysia, and the ACC in collaboration with Transparency International Malaysia has started the programme which is in its initial stage.

BOX 1: STRONG LEADERSHIP BEHIND THE ACC

During its visit, the research team received a broad range of impressions suggesting that the character and leadership of the former chairperson of the ACC, Dasho Neten Zangmo, were key in its institutional strength and development. The research team wish to underscore these factors of success for two reasons: because they have been one of the defining characteristics of the ACC's work so far, and because it will be important moving forward, now that the chairperson has completed her term, to ensure there are strong institutional conditions supporting the work of the ACC despite the many problems and challenges it is likely to face in the medium and short term.

The tenure of Dasho Neten Zangmo is concurrent with the work of the ACC. She was appointed from the creation of the ACC, then ratified, and served two terms. She completed her term in July 2015.

The legal framework and structure enabling the ACC's work has always been strong, even since before the ratification of the Constitution in 2008. But it is also the case that at key junctures leadership has played an important role in investigating and prosecuting cases, in challenging and confronting other government agencies, and even in ensuring reforms to laws. The chairperson has played an extraordinary role in institutionally strengthening the ACC in the last nine years, and in leading it through the difficult times it has faced when confrontation with other government agencies was inevitable.

While considerations regarding the seniority, management capacity and leadership of the next chairperson will be important, it will be just as important to ensure institutional stability, prioritise institutional strengthening, and shore up the institutional gaps prevailing (see sections 3 and 4 below).

This effort will undoubtedly be made difficult by the transition, but the recommendations we make to the ACC can go a long way in creating conditions for a smooth transition, especially as new commissioners develop institutional strategies in the coming months.

3. KEY FINDINGS

The assessment of Bhutan’s ACC is very good. The ACC has scored high in 70 per cent of the indicators assessed, moderate in 26 per cent of the indicators assessed, and low in 4 per cent of the indicators assessed.

As we can observe in the summary Table 4, all dimensions score highly. There is at least one indicator scored at the moderate level in each dimension, and the strongest dimensions are 1) legal basis, independence and mandate (which has seven indicators, one of which scored moderately), and 5) state support and interagency cooperation (which has six indicators, one of which scored moderate).

The two indicators scored at the low end are staff stability, because the ACC has a high rate of attrition, at 16 per cent in 2014; and ACC responsiveness to corruption complaints, because the ACC has only been able to investigate about one fifth of the cases that qualify for investigation.

The dimension that fares less well overall relates to oversight, reflecting the lack of publicity of the good procedures and oversight mechanisms in place. While the work of the legislative committees is good, it is not public. Nor are the internal review mechanisms, and there is no civil society participation in any oversight mechanism.

The dimension with the most moderate level indicators is 3) outputs in detention and investigation functions, mostly as a result of the hindered investigation capacity resulting from limited human resources.

We were unable to score three indicators because they require information on the perceptions of ACC users and Bhutan does not have this information.

Table 4 below presents a summary of all indicators by dimension; Indicators which scored high are coloured green, indicators which scored moderate are coloured yellow and indicators scoring low are red. The indicators coloured grey are not scored, because we did not have sufficient information to score them.

The in-depth assessment of each score and its basis are presented in Table 5, which goes into the details of the sources and information warranting each value. Most of the areas where we found gaps or weaknesses are already duly recognised by the ACC, having produced very strong reporting documents that identify most of the same shortfalls and problems already.

Scoring Key:

HIGH SCORE	Green
MODERATE SCORE	Yellow
LOW SCORE	Red
Scoring Not Possible	Grey

Table 4. Assessment Summary: Indicators by Dimension

DIMENSION							INDICATORS
LEGAL BASIS, INDEPENDENCE AND MANDATE (7)	ACA legal independence	ACA broad mandate	ACA legal powers	Appointment of ACA commissioners	Removal and term limits of ACA commissioners	ACA operational autonomy	Political use of ACA powers by government
	ACA budget (proportion of government budget)	ACA budget (sufficiency)	ACA budget (stability)	ACA staff salary and benefits	ACA staff selection criteria	ACA staff expertise (investigation)	ACA staff expertise (prevention, education)
DETECTION AND INVESTIGATION (9)	ACA's accessibility by whistleblowers and claimants	ACA's responsiveness to corruption complaints	ACA's willingness to take on corruption investigations	Average number of cases investigated by ACA	ACA's efficiency and professionalism in investigation	Willingness of ACA to investigate influential persons	ACA staff stability (attrition)
	Proportion of budget allocated to public outreach and prevention	ACA's corruption prevention initiatives	System/agency reviews conducted by ACA	Prevention recommendations in ACA investigation reports	Implementation of an ACA outreach and education plan	Independent and proactive research on corruption risks by ACA	Demographic information of complainants to ACA by gender
STATE SUPPORT, INTERAGENCY COOPERATION (6)	Government support for prosecution of corruption cases	ACA cooperation with other control and integrity agencies	ACA cooperation with civil society and private sector	ACA participation in international networks	ACA cooperation with other countries' ACAs	Public confidence in state endowed ACA with powers and resources	Dissemination and campaigns by ACA
	Comprehensive and accessibility of annual ACA report	Oversight mechanisms for ACA	Internal complaints and review procedure within ACA	Staff disciplinary or dismissal with ACA	Public confidence in ACA treatment of persons under investigation	Public confidence in an impartial and fair ACA	Use of website and social media for prevention by ACA
OVERSIGHT AND ACCOUNTABILITY (7)	Public perception of ACA's effectiveness in corruption control	Public perception of ACA's effectiveness in corruption control among users	Public perception of ACA's effectiveness in corruption control among female users				
PERCEPTIONS OF EFFECTIVENESS (3)							

If we break down areas of opportunity by dimension, we find the following:

LEGAL BASIS, INDEPENDENCE AND MANDATE

The process leading to the appointment of the ACC leadership is the only shortfall in the first dimension, as a result of the opacity surrounding this procedure, the lack of public criteria behind the nomination and the lack of a justification and rationale by the nominating committee. Recent developments have evidenced this shortfall, since a new chairperson and commissioners were recently appointed, but the deliberation of the selection committee and the criteria for their selection were not disclosed. To improve this score, and improve transparency of the selection and nomination process in the future, the selection committee for royal appointment should draft criteria and rules of procedure, make them public, and discuss them with civil society organisations, facilitating their understanding of the process for selection and strengthening their engagement in it. Once the selection committee deliberate and determine who they will propose for nomination, they should also produce a public statement of justification affording citizens a better understanding of the reasons behind their decision.

FINANCIAL AND HUMAN RESOURCES

Two areas under *human resources* are scored at the moderate level, and one at the red, representing the most urgent area of opportunity for the ACC.

Regarding the budget, in addition to the SDC financing around half of the budget in recent years, the Ministry of Finance has recently disregarded the ACC's requests for additional funding. The justification thus far has been that a proposed set of activities was not foreseen in the five-year plan. That rationale undermines the fact that agency needs change, and it is an essential principle of good public management that policies, budgets and institutions must consistently adapt to meet the problems and challenges arising from the shifting environment. This is especially important because the SDC, which has financed a significant proportion of the ACC budget, is implementing an exit strategy—more on this below.

Regarding staff expertise relating to investigation, in a system that has not been under implementation for even a decade, a medium level of expertise is to be expected. Strong efforts have been made to train staff and to recruit senior managers adept in sector specific work.

The high level of staff turnover and attrition is problematic and is the most glaring red flag in the assessment. This problem is well known by the ACC and national stakeholders. Staff needs have not been fulfilled and there are not enough human resources to carry out all investigations, especially when important and resource intensive high-profile cases arise.

There are three issues underlying the problem:

1. The inability of the ACC to directly recruit, develop, promote and evaluate the performance of its staff according to its own needs, due to its adherence to RCSC rules;
2. The difficult environment faced by ACC staff in the performance of their duties, the inherent risk they face and the dire work conditions; and
3. The lack of sufficient financial resources to pursue human resource needs aggressively.

The ACC is currently discussing a HR master plan that bases the ACC recruitment strategy on being an employer of choice (strengthening its reputation and brand). Whether the actions recommended in the HR master plan work or not, it will be important to task public officials with intensive recruitment functions, and identify what works and what does not.

DETECTION AND INVESTIGATION

Limited human resources are partly to blame for the largest area of opportunity related to investigation functions and outcomes. The score under this indicator is affected by the limited capacity of the ACC to fully investigate all complaints and the lack of awareness about how the ACC decides and prioritises what it will investigate. To improve, more resources should be allocated to investigation and clear, accessible materials to socialise citizens on how the ACC prioritises its work and the constraints it faces should be developed and made public. These recommendations are outlined in section 4.

One more area of opportunity relating to the investigation dimension is the failure to use existing demographic information to get a sense of whether gender affects the filing of corruption claims, and how women are treated when filing claims. The first set of data is already collected by the ACC. The second is not, but it could easily be incorporated once the ACC develops a user satisfaction survey, which we also recommend. More on this in section 4.

EDUCATION, PREVENTION AND OUTREACH

With regards to the education, prevention and outreach dimension, there are two areas of opportunity:

1. The creation of an effective communication strategy that makes full use of social media; while social media pages do exist, they are seldom used as catalysts for citizen engagement with the ACC and the ACC does not figure in social media debates; and
2. The improvement of education and outreach objectives, and their alignment to long term strategic priorities.

As a result of our stakeholder consultation and feedback discussions, we were able to explore the ACC's existing communication strategy. It is a good general document, produced in 2012, with general brand and message recommendations. But it is not the diversified, segmented, targeted strategy necessary today. Diversification is important to discern between audiences, and segmentation and targeting will produce different messages, strategies and action plans for each target audience.

This will be important to address three problems identified in the assessment:

1. The mandate of the media relations strategy or point person is not clear, and mass media is not used proactively or effectively
2. There is a perceptions gap, as a result of citizens and organizations not being aware of the challenges and constraints faced by the ACC; and
3. There are hardly any materials accessible to citizens, to guide and orient beyond the formal information mechanisms produced by the commission.

The key operational variable here is *accessibility* because the materials available today are not user friendly and are not targeted. As a result, the good work of the ACC is not always clear, and citizens have no way of understanding how the ACC decides what should be investigated, including the process and criteria behind these decisions. Furthermore, citizens do not necessarily understand the administrative constraints on the ACC that make it impossible to investigate all complaints subject to investigation.

Making the internal work of the ACC more transparent is likely to increase awareness of its constraints, increase support so it can meet its needs, enhance its legitimacy and ultimately improve perceptions of its work and efficacy.

As regards the formulation of strategic objectives, existing objectives do not distinguish between different audiences and means. For example, reaching out to students in the national education system is very different from reaching out to the elderly, illiterate farmworkers or laborers. The fact that different audiences are not distinguished makes it difficult to understand which activities are working, which are not, and how to adjust. In addition, while some targets and metrics exist, they are not linked to strategic objectives and it is difficult to ascertain what is expected in the medium term, and how specific activities connect to long-term objectives.

CONDITIONS OF STATE SUPPORT AND INTERAGENCY COORDINATION

We found a low level of confidence in the fact that the ACC has the powers needed to effectively investigate all cases of corruption. This is an important area of opportunity, partly related to the human resource issues indicated in subsection 3.2, above. It also stems from the fact that civil servants and citizens are not sufficiently aware or informed about the difficulties faced by the ACC when recruiting senior managers and investigating large, resource intensive cases. There is a gap in perception. This issue was expressed to the research team as uncertainty about why the ACC cannot investigate most cases. While there is some awareness that the issues behind the backlog may be structural, the limitations faced by the ACC highlight that more should be done to ensure more cases are actually investigated, especially high profile cases.

OVERSIGHT AND ACCOUNTABILITY

The external oversight mechanisms which are in place are very good. The ACC submits an annual report with specific recommendations and this report is reviewed at length by two different parliamentary committees, one in each house. The report is expounded upon in committee briefings, and the oversight committees produce an independent and comprehensive report as a result, with specific action items to be carried out to facilitate the work of the ACC and mainstream anti-corruption practices. These action items, however, are seldom monitored publicly, and there is very limited citizen participation in oversight bodies, and little or no official engagement of civil society organizations—who are ACC partners—when discussing the ACC report, results, challenges and gaps in parliament.

As part of the review process, parliamentary committee members revise and adopt some of the recommendations formulated by the ACC to mainstream anti-corruption practices in different government agencies and the Bhutanese public management system. These recommendations create actionable tasks the committee takes upon itself, including review of existing institutions and laws, specific legislative proposals, and requests to the Prime Minister's office. There is however little

information available on the results of these actions because there is no monitoring system in place to track the specific recommendations made, their implementation, challenges and eventually their results.

There are two areas of opportunity related to external oversight: citizen participation and monitoring of actionable recommendations by the committee. One further recommendation refers to the transparency and rationale behind the selection of persons nominated for appointment.

PERCEPTIONS OF EFFECTIVENESS

Public perceptions of the work of the ACC are good but not excellent. The ACC should strive to meet the 75 per cent of respondents threshold established by the indicator. This target is within range with 62 per cent of people believing that the ACC is doing a very good job. Because the ACC carries out its own survey, it should also include questions about the perception of specific components, to guide its actions (resource allocation, for example). Finally, the ACC can and should start applying user satisfaction surveys to get a better sense of the expectations of its users—and whether and how these expectations are being met.

Section 4 formulates specific recommendations on the basis of the gaps identified for ACC action and for the government more broadly, as some conditions will require broader systemic institutional strengthening. Table 5 explains in detail why each indicator was scored at each level and includes the source information for each indicator, offering a more nuanced analysis of Table 4.

Table 5: Detailed Indicator Scores, with Sources and Comments

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
1. LEGAL BASIS, INDEPENDENCE AND MANDATE				
a) ACA legal independence	Independent institution outside the government	Separate agency located outside a ministry	Within the police or a ministry	The ACC is fully independent according to the Constitution (art. 27) and the ACC (especially art. 6 ff). Its full independence has been questioned due to the nature of its relationship with the RCSC and the fact that ACC staff have to be hired through the RCSC (see comments and recommendations below, sections 4 and 5). Thus in legal terms the ACC is fully independent, however in practice there are some areas, particularly around staff recruitment, which could benefit from being more autonomous.
b) ACA broad mandate	Focus on investigation, education and prevention (and prosecution if applicable)	Primary focus on investigation	Education and prevention without investigation	The Constitution sets up a broad mandate and the Anti-Corruption Act establishes broad goals and lays out a wide range of functions, including investigation, prevention, education, research and integrity advice for mainstreaming good practices in the work of government agencies. <u>Source:</u> art. 25 of the Anti-Corruption Act.
c) ACA legal powers	Extensive powers ³⁵	Some powers	No powers	The powers of the ACC are laid out in articles 24, 81–88 and 94–111 of the Anti-Corruption Act, and include subpoena and suspension. In addition to this very exhaustive list, other (special) powers are considered in the act, and seizure of assets can be made, subject to due process provisions through work with the Central Bank's Financial Intelligence Unit and the Judiciary.
d) Appointment of ACA commissioners	Independent committee using objective criteria and procedure is transparent	Ministerial committee using objective criteria but procedure is not transparent	Prime minister and/or president	The chairperson and commissioners are appointed by the king under His hand and seal upon recommendation of a committee, but there are no clear, public criteria available for the process, and selection and nomination procedures are not fully transparent. It is difficult to access the decisions of the committee ex ante, and it is difficult to get a full account of the decision. <u>Sources:</u> art. 27 of the Constitution and art. 11 of the Anti-Corruption Act.

³⁵ e.g., arrest and search of arrested persons; examining suspects' bank accounts, safe deposit boxes, income tax records and property; search and entry of premises; etc.

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
e) Removal and term limits of ACA commissioners	Fixed term with tenure and difficult to remove commissioners without cause	Fixed term without tenure but not difficult to remove commissioner	No fixed term and commissioners can be replaced easily	The term of office is fixed, and the conditions for removal are strict. <u>Source:</u> art. 14 of the Anti-Corruption Act.
f) ACA operational autonomy	High (no political interference in ACA's operations)	Moderate (some political interference in ACA's operations)	Low (high level of political interference in ACA's operations)	The work of the ACC is not affected by any political interference based on the observations of the research team. This was an item we included in over 20 interviews with agencies, media and civil society organisations. There was agreement on the fact that the ACC carries out its investigations without a political agenda, and on the fact that neither the prime minister, nor any authority outside the ACC, hinders its work. The one area of vulnerability to political interference mentioned was prosecution. However, the fact that the ACA is endowed with the ability to prosecute independently, though seldom used, is itself an additional guarantee of independence. There is some concern with there not being enough resources or clear priority given to prosecuting big cases. This is analysed further in the "prosecution" indicator and section 4, below.
g) Political use of ACA powers by government	Government has not used ACA as a weapon against political opponents	Evidence of limited use of ACA by government as a weapon against political opponents	Evidence of widespread use of ACA by government as a weapon against political opponents	Given its perceived independence, and the strong opinions regarding the character and integrity of the chairperson and commissioners, the ACC is not perceived by civil society organisations, cooperation agencies or media to act with a political agenda. <u>Sources:</u> interview with parliamentary oversight committee, focus group discussions with media and staff from Bhutan Transparency Initiative.
2. FINANCIAL AND HUMAN RESOURCES				
a) ACA budget (proportion of government)	Above 0.2%	Between 0.1% to 0.2%	Below 0.1%	The government budget of Bhutan was 33,171.8 million Bhutanese Ngultrum, or about US\$522 million. The budget allocated to the ACC was US\$1.9 million, and it expended US\$1.62. Either figure is above 0.30% of the budget.

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
budget)				<p>Sources: http://www.mof.gov.bt/wp-content/uploads/2014/07/BR2014-2015ENG.pdf, p. 13 and ACC Annual Report, 2014.</p>
b) ACA budget (sufficiency)	More than adequate (more than 80% of budget request is approved)	Adequate (two-thirds of budget request is approved)	Inadequate (less than 50% of budget request is approved) and relies on funding by civil society organisations and donor agencies	<p>The ACC has had its budget and financing requests met for the most part, and there has been no reduction. But there have been considerable modifications to the amount requested by the ACC in the last two years (there was a 10% cut last year and a 33% cut this year).</p> <p>Sources: interviews with ACC staff, Ministry of Finance Staff and MPs from the ACC Oversight Committee.</p>
c) ACA budget (stability)	High (ACA budget is guaranteed based on previous year's allocation and has not been reduced)	Moderate (ACA budget has not been reduced during past three years)	Low (ACA budget has been reduced during past three years)	<p>The budget is not legally "guaranteed" to meet a minimum standard, but there have been considerable modifications to the amount requested by the ACC in the last two years. This is not a reduction, as budget allocations at least meet the previous year's allocation, but the allocation at last year's level is not legally guaranteed. There have been increases in the overall level of spending and even under-spending for a variety of reasons. There have been increases above 10% every year through 2013–2014. There are discussions and an impending legal decision to create a minimum as a percentage of the GDP, but they have not been enacted. See recommendations below.</p> <p>Sources: ACA Annual Report, 2014, p 48 ff, interviews with ACC staff, Ministry of Finance Staff and MPs from the ACC Oversight Committee.</p>
d) ACA staff salary and benefits	Competitive salary and benefits	Adequate salary and benefits	Low salary and limited benefits	<p>The salary of integrity promotion officers is 45% above that of similar posts in the Royal Civil Service, and that of staff not involved in investigations is 20% above. This incentive has been put in place to ensure an adequate staffing level in the ACC and given the demanding conditions of work, the risk entailed and the difficulties stemming from work at the ACC. This has not been enough to ensure staffing levels are met, but the salary and benefits are among the best, and are at least very competitive.</p>
e) ACA staff	Meritocratic and transparent	Meritocratic but not	Patronage and non-	<p>The criteria for selection of staff are public, based on ACC profiles and RCSC selection tests and standards. All procedures are laid out in the 2010 Civil Service Act and in</p>

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
selection criteria	procedures	transparent procedures	transparent Procedures	the RCSC rules. <u>Sources:</u> http://www.rcsc.gov.bt/wp-content/uploads/2014/government_rules/CS_ACT2010.pdf and http://www.rcsc.gov.bt/wp-content/uploads/2014/government_rules/BCSR2012.pdf .
f) ACA staff expertise (investigation)	High level of expertise	Lacking expertise in some areas	Lacking expertise in many areas	The ACC's investigative officers (integrity promotion officers) have an adequate level of expertise, but the service is new and they have had to adjust to new cases and a broad range of areas of work in a relatively short time. To promote specialisation, the ACC has created a structure that allows work in teams and direct specialisation in a small range of issue areas; however, this is still a work in progress. <u>Sources:</u> interviews with ACC staff and focus group discussion.
g) ACA staff expertise (prevention, education)	High level of expertise	Lacking expertise in some areas	Lacking expertise in many areas	Though there is no specialised communications, outreach and education team, ACC staff have produced strong training and outreach materials with the support of government agencies including the Judiciary and the RIM, facilitating expert work on corruption education and outreach by the integrity promotion officers involved. <u>Sources:</u> interviews with the ACC commissioner and chief planning officer, RIM director general and register general of the Royal Court of Justice.
h) ACA staff training	Well-trained personnel with ample training opportunities	Some trained personnel with limited training opportunities	Training is unimportant and neglected	The ACC has dedicated an extensive amount of resources and planning to training ACC personnel in country and through technical assistance and learning visits to well-established ACAs in the region. It has received technical assistance from the US Federal Bureau of Investigation, along with a local human resource development plan facilitating sustained access to training and professional development opportunities. <u>Sources:</u> interviews with the commissioner and chief planning officer. See also ACC Annual Report, 2014, pp. 14–15.
i) ACA staff stability (attrition)	Low turnover and resignation rate (0-5% yearly attrition rate)	Moderate turnover and resignation rate (5-10-% yearly attrition	High turnover and resignation rate (over 10% yearly attrition rate)	This is one of the most glaring areas of opportunity for the ACC in the medium and long term. The turnover rate is considerable, albeit still moderate (not high): 50 people have left the ACC since its creation, with 11 people leaving in 2014. The ACC reports an attrition rate of 16 per cent in 2014. More importantly, though, the ACC has trouble finding staff when it opens up new positions, despite the incentives. Currently, 58 positions are open and unstaffed; 51 of these positions are for integrity promotion

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE (rate)	LOW	
				officers, and 30 of these positions are for mid-level and senior staff. <u>Sources:</u> ACC Annual Report, 2014, pp. 37–40, interviews with RCSC commissioner and ACC staff, and focus group with chiefs and senior officials of ACC.

3 DETECTION AND INVESTIGATION

a) ACA's accessibility by whistleblowers and claimants

ACA is highly accessible as reflected in the high proportion of corruption complaints received relative to population and perceived level of corruption, and number of signed complaints

ACA is accessible as reflected in the moderate proportion of corruption complaints received relative to population and perceived level of corruption, and number of signed complaints

ACA is inaccessible as reflected in low proportion of corruption complaints received relative to population and perceived level of corruption, and number of signed complaints

The ACC is perceived as accessible. Reasonable efforts are made to receive complaints from a variety of sources, including post, telephone, and in person. There are also major outreach and training activities carried out to bring the ACC to the district level, and to engage youth in a variety of educational projects. 49% of complaints are signed, i.e. not anonymous.

Sources: Interviews with ACC staff, the RIM, the media and the Bhutan Transparency Initiative.

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
b) ACA's responsiveness to corruption complaints	ACA is highly responsive as reflected in the high proportion of corruption complaints (67-100%) investigated and investigation cases completed during past 3 years	ACA is responsive as reflected in the moderate proportion of corruption complaints (33-66%) investigated and investigation cases completed during past 3 years	ACA is not responsive as reflected in the low proportion of corruption complaints (below 33%) investigated and investigation cases completed during past 3 years	<p>The already mentioned backlog is a red flag. Both the ACC and the general public are aware of the backlog. There is a limit to the number of cases which can be investigated that are in fact investigated. Only between 20 and 27% of the complaints that qualified for investigation were investigated in the last two years. Though the <i>Complaint Management Policy and Procedures Manual</i> uses a point scale for determining whether a complaint should be investigated that considers the relevance and scale of the act of corruption, there is a perception, shared by civil society organisations and the media experts interviewed, that not enough effort is being made to catch the “big fish”. These are two different things, and while efforts must be made to increase HR so that the backlog can be reduced, it is also very important that the ACC make concerted efforts to communicate how it makes investigation decisions, that it publicises the procedures through which complaints are processed and decided on, and that it fosters dialogue on these matters. This should include why some cases are prioritised over others. This is likely to improve external understanding of the process and make it easier to justly appreciate if/whether the ACC is responding adequately to process corruption complaints.</p> <p><u>Source:</u> ACC Annual Report, 2014, pp. 116–117.</p>
c) ACA's willingness to take on corruption investigations	High number of corruption investigations initiated by ACA during past three years	Moderate number of corruption investigations initiated by ACA during past three years	Low number of corruption investigations initiated by ACA during past three years	<p>Despite not having enough HR to investigate of all complaints received, the ACC has started 142 investigations, or 15 per year on average, and it has completed 112, an average of 12 investigations per year. More can be done to reduce the backlog and effectively communicate how investigation decisions are made, but everyone interviewed agreed the ACC has the willingness to investigate corruption.</p>
d) Average number of cases investigated by ACA	High number of cases investigated during past three years	Moderate number of cases investigated during past three years	Low number of cases investigated during past three years	<p>ACC staff reported that integrity promotion officers take on an average of four investigations per year, with differing degrees of difficulty. They are engaged in each case differently, because they work in “teams” (see section 2, above), but they participate actively in about four per year.</p> <p><u>Source:</u> focus group with chiefs and senior officials of ACC</p>

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
e) ACA's efficiency and professionalism in investigation	Highly efficient and professional investigation of corruption cases	Efficient and professional investigation of corruption cases	Inefficient and unprofessional investigation of corruption cases	The opinion of the OAG and the Judiciary in relation to the investigative and legal capacity of the ACC staff is very good. Likewise, external opinions of the efficiency and professionalism of corruption investigations are also very good. The high number of investigations resulting in prosecution is an indication of this as well—of the 112 completed investigations, 65% were referred for prosecution. <u>Source:</u> ACC Annual Report, 2014, p. 118, interviews with branches, government agencies, media and civil society organisations.
f) Average conviction rate of corruption cases	Above 75%	Between 50% to 75%	Below 50%	The conviction rate is high at 92% as reported by the ACC considering only sentences rendered (47 convictions and four acquittals). Even if we consider the prosecution referrals dismissed by the OAG (six cases) and add the prosecution carried out by the ACC directly, the rate is 81% (47/58 cases, including 51 sentences through OAG, 1 sentence directly and 6 dismissals). <u>Source:</u> ACC Annual Report, 2014, p. 118.
g) Willingness of ACA to investigate influential persons	Considerable evidence of investigation of influential persons for corruption	Some evidence of investigation of influential persons for corruption	No evidence of investigation of influential persons for corruption	Major investigations include the investigation of a large telecommunications company CEO, large procurement bids (related to hydropower construction projects), and a variety of land cases, but none is bigger than the indictment of the home minister and speaker in 2012. The <i>Gyalpozhing</i> case was originally declined for prosecution by the OAG, but was prosecuted effectively by the ACC. A summary (before final judgement) can be found at http://www.businessbhutan.bt/?p=10976 . The ACC Annual Report 2014 refers to it on pages 122 and 144. The details of the court's decision affirming the ACC's powers are on pp. 99–100 of the same report.
h) ACA's role in restitution and asset recovery	Very active role by ACA during past three years	Moderately active role by ACA during past three years	Inactive role by ACA during past three years	The ACC has played an important role in the restitution of proceeds from corruption for about 139 million ngultrum, with another 87 million pending, and it directly freezes and confiscates assets, though it coordinates with the Financial Intelligence Unit to identify money laundering and related activities. The specific terms of the relationship between the unit and the ACC are still under formulation. <u>Source:</u> ACC Annual Report, 2014, pp. 119–120.
i) Demographic	The ACA has	The ACA has	The ACA does	With the exception of anonymous complaints, there is demographic information to

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
information of complainants to ACA by gender	gender sensitive demographic information that allows it to monitor how corruption and its services affect women differently	gender sensitive demographic information that could allow it to monitor how corruption and its services affect women differently, but it does not actively monitor these differences	not collect gender sensitive demographic information	identify trends by gender, but it is not actively used. We issue specific recommendations in this regard in section 4. <u>Source:</u> interviews with ACC chief planning officer.
4 PREVENTION, EDUCATION AND OUTREACH				
a) Proportion of ACA budget allocated to public outreach and prevention	Above 1% of ACA's operating expenditure	Between 0.5% and 1% of ACA's operating expenditure	Below 0.5% of ACA's operating Expenditure	The budget allocated to public outreach and prevention is very likely above the threshold proposed (1% of the US\$1.62 million budget would be US\$16,200), but it is difficult to calculate precisely because the ACC budget and the Bhutan public financial management practices do not budget by programme activity. This was also a recommendation in the World Bank's public financial management assessment. The document, which we consulted with the chief planning officer, can be found at http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/03/28/0000333037_20110328002252/Rendered/PDF/5844440ESW0Whit1oFinal0Bhutan0Report.p df. This means it is difficult to calculate expenditure allocated to specific functions by type of activity. The volume of public outreach and prevention activities, however, in the form of staff visits to regional and district governments, social accountability practices

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
				and participation of integrity promotion officers in training and drafting system recommendations, would put an assessment of programmatic allocations to outreach and prevention over 20%. Even if the Ministry of Finance does not, it would be advisable for the ACC to budget by programme as this will facilitate prioritising activities by type. It could create a programme of each of its objectives already defined in the five-year plan for 2013–2018. More on this is in section 4.
b) ACA's corruption prevention initiatives	Many corruption prevention initiatives during past three years (average of three or more per year)	Some corruption prevention initiatives during past three years (average of one–two per year)	ACA did not initiate any corruption prevention initiatives during past three years	There is a broad range of prevention activities underway, including training of the Judiciary, the development of ethics and anti-corruption components in executive training curricula of the RIM; the system review recommendations formulated in each of its reports and the social accountability activities underway, in collaboration with regional and district government and civil society organisations. <u>Sources</u> : ACC Annual Report, 2014, pp. 85–90, interviews with the register general of the High Court and RIM director.
c) System/agency reviews conducted by ACA	Many reviews were conducted	Some reviews were conducted	No review was conducted	There are two types of reviews: systemic and investigation report recommendations. Every investigation (13 per year) produces recommendations, and in addition there have been a large number of systemic reviews, 12 in total, though the last one was drafted in 2012. <u>Source</u> : ACC Annual Report, 2014.
d) Prevention recommendations made in ACA investigation reports	Frequently	Sometimes	Not at all	Every investigation report has recommendations. And every year, the annual report of the ACC summarises these recommendations for follow-up and oversight purposes. <u>Sources</u> : interviews with ACC chairperson and commissioner and focus group with chiefs and senior officials of ACC.
e) Existence of and implementation of an ACA outreach and education plan	Comprehensive and clear plan that is implemented and accessible	The plan for outreach and education exists but is not implemented	There is no plan for outreach and education activities	There are two general plans for ACC operation, the five-year plan (2013–2018) and the National Integrity and Anti-Corruption Strategy (NIACS), as well as a multiyear plan (2014–2018). The first is internal and the second establishes cooperation and collaboration goals beyond the scope of the ACC only. Outreach programmes to work with students, with youth, in communities and with specific government agencies exist, as well as a broad and exhaustive Social Accountability Strategy. However, due to HR burdens, by the ACC staff's own admission, the outreach and education activities are

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
		fully		<p>not always prioritised. There are also few references to existing materials in the webpage of the ACC and its social media outlets, which could broaden access to the educational materials. The education goals, finally, are not defined clearly, which makes it difficult to track them. The 11th Five-Year Plan framework was presented in the 2012 Annual Report</p> <p>(http://www.acc.org.bt/sites/default/files/ACC%20Annual%20Report%20final_4.pdf), section 2.</p> <p>The reports for 2013 and 2014 have provided specific, objective metrics, but they do not connect to strategic goals. The NIACS has strong education objectives, but they are not easy to track in the ACC reports (see NIACS 2014–2018, p. 21). In the end, there is a plan, but it has not been fully implemented, it seems, because the ACC prioritises investigation. It is important to allocate enough HR to facilitate outreach in the country, especially considering the very high illiteracy rate, which would require a varied approach to outreach work.</p>
f) Engagement of stakeholders in outreach and education activities by ACA	High degree of collaboration with three or more joint projects	Some degree of collaboration with one or two joint projects	No collaboration with other stakeholders	<p>There are at least a dozen projects through which the ACC collaborates with other agencies, including, most notably, the Judiciary, the RIM, the Ministry of Finance and an outreach strategy to work with the regional governments. This collaboration does not always yield the expected results in terms of number of people trained, but it speaks to the large network of collaboration through which the ACC carries out outreach and education activities.</p>
g) Independent and proactive research on corruption risks by ACA	Extensive use of research, to develop risk assessments and sectoral corruption profiles	Some degree of research to support its prevention functions and its outreach and education plan	No discernible independent research carried out by the ACA	<p>The ACC consistently carries out independent research. The research is reactive (when it results from corruption investigations) and proactive (when it results from broader context analysis and risk assessments used to explore sectoral conditions, specific corruption risks and areas of vulnerability).</p>
h) Dissemination	Extensive	Limited	Does not	<p>There are many outreach and social accountability strategies that amount to</p>

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
and campaigns by ACA	dissemination of corruption prevention and reliance on campaigns	dissemination of corruption prevention information and reliance on campaigns	disseminate corruption prevention information or rely on campaigns	campaigns (see the ACC Annual Report, 2014–2018, pp. 65–68), there are also concerted efforts to promote anti-corruption through collaboration with the Bhutan Broadcasting Service (BBS), amply documented in the annual reports and other internal documents. We also consulted BBS broadcasters who attested to the extensive collaboration for radio and television outreach. Finally, National Anti-Corruption Week is an important hallmark during the year with coordinated activities all over the country.
i) Use of website and social media for prevention by ACA	Extensive use of its website and social media to spread corruption prevention information	Limited use of its website and social media to spread corruption prevention information	ACA does not have a website and does not rely on social media to spread corruption prevention information	Both through direct perusal and in consultation with media and civil society representatives we attested to the limited use of the website, and of social media specifically, for broad dissemination from the ACC. There is a Facebook page, as well as a Twitter feed, but they are not amply used. Educational materials, even those designed for online dissemination, are not always available, and there are hardly any easily accessible materials for citizens and youth on either the webpage or the social media sites.
5 STATE SUPPORT, INTERAGENCY AND COOPERATION				
a) Government support for prosecution of corruption cases	High level of support as reflected in absence of interference and average prosecution rate of above 75%	Moderate level of support as reflected in some interference and average prosecution rate of 50% to 75%	Low level of support as reflected in substantial interference and average prosecution rate of below 50%	The prosecution rate is high. Of the 121 investigations completed by the ACC in the last nine years, 73 were referred for prosecution, and 67 of these were effectively prosecuted by the OAG, which represents a prosecution rate of 92% (if we consider the rate of prosecution as the number of cases prosecuted as a proportion of the cases referred). This obscures two facts, however, that were underscored in our interviews and echoed by many agencies and civil society perspectives: a large number of cases that could be investigated are not (the backlog emphasised by the ACC Annual Report, 2014, pp. 116–118); and the capacity of the OAG is compromised because it does not have sufficient HR for successful prosecution. If the ACC's staff vacancies were filled and the backlog of investigations eliminated, it is very likely the OAG with its 30 or so prosecutors would be unable to effectively prosecute all cases. Sections 4 and 5 below emphasise the need to strengthen the OAG capacities to be similar to the scope and strength of the ACC and the RAA. <i>Source:</i> ACC Annual Report, 2014, pp. 117–119.

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
b) ACA cooperation with other control and integrity agencies	High degree of cooperation between ACAs or between ACA and other integrity agencies	Limited cooperation between ACAs or between ACA and other integrity agencies	Conflict and lack of cooperation between ACAs or between ACA and other integrity agencies	There is extensive collaboration with a large number of agencies for corruption investigations (RAA, OAG and the Royal Bhutan Police), for prevention (most government agencies), and for training and outreach (Parliament, the Judiciary and the RIM). There is usually a memorandum of understanding for the collaboration, and there is direct, close communication from the upper level of the ACC (including the chairperson and commissioners). This is one of the strong points of the ACC work in Bhutan. <u>Sources:</u> Interviews with ACC staff and other government agencies.
c) ACA cooperation with civil society and private sector	High degree of cooperation between ACA and other organisations	Limited cooperation between ACA and other organisations	Conflict and lack of cooperation between ACA and other organisations	As detailed in the ACC Annual Report, 2014, there is close formal collaboration for carrying out a variety of social accountability activities, including cooperation with nine civil society organisations, notably the Bhutan Transparency Initiative. There is also a Private Sector Integrity programme. <u>Source:</u> ACC Annual Report, 2014 pp. 77 and 85–88.
d) ACA participation in international networks	Very active with ACA participating in three or more networks	Active with ACA participating in one or two networks	ACA does not participate in any network	The ACC participates actively in regional cooperation efforts, technical assistance initiatives, and training and development strategies. It participates in at least half a dozen technical assistance ventures, and has participated in 39 international conferences, despite this not always being prioritised in the country. <u>Source:</u> ACC Annual Report, 2014, p. 79ff.
e) ACA cooperation with other countries' ACAs	High degree of cooperation with joint projects and technical assistance with several ACAs in other countries	Limited cooperation in some areas with one or two ACAs in other countries	No cooperation between ACA and ACAs in other countries	There are strong collaboration networks and direct work with agencies in more than half a dozen countries, including India, Malaysia, Hong Kong, Singapore, Thailand, the US and Australia. <u>Sources:</u> ACC Annual Report, 2014, p. 79, interviews with the ACC chairperson and commissioner and chief planning officer.
f) Public	High level of	Moderate	Low level of	There is currently no question to assess <i>confidence</i> in ACC powers and resources for

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
confidence in state endowed ACA with powers and resources for curbing corruption	confidence as reflected in survey findings (above 75%) and views of ACA senior personnel, civil society organisation leaders and journalists	level of confidence as reflected in survey findings (50%–75%) and views of ACA senior personnel, civil society organisation leaders and journalists	confidence as reflected in survey findings (below 50%) and views of ACA senior personnel, civil society organisation leaders and journalists	<p>curbing corruption in the National Integrity Assessment. The only question equivalent to this asks whether the respondent believes the ACC is doing a good job fighting corruption, specifically "What do you think about the Anti-Corruption Commission's effort to combat corruption?" (See the National Integrity Assessment 2012 at http://www.acc.org.bt/sites/default/files/NIA%202012%2015-08-2013_0.pdf).</p> <p>To address this, we incorporated the question into all of our interviews with government and civil society respondents and gathered enough information in the responses to warrant an assessment at a moderate level. The issues hindering confidence in ACA having enough resources stem from the perception that there are mostly small cases investigated, from awareness of the backlog of investigations and from the discussion of full independence on personnel management. To move forward in this regard it would be advisable to make concerted efforts to hire the staff planned for current vacancies, and ensure that a) the backlog is reduced and b) internal decisions regarding what is investigated and how are communicated to citizens.</p>

6 OVERSIGHT AND ACCOUNTABILITY

a) Comprehensive and accessibility of annual ACA report	Comprehensive information on ACA is provided in the annual report and website, submitted to Parliament and easily accessible to the public	Limited information on ACA is provided in the annual report and website and submitted to Parliament but not easily accessible to the public	Submits annual report to government but is not available to the public	The information provided in the ACC Annual Report is exhaustive. This is the information submitted to Parliament, and by the oversight committees' own admission, it is exhaustive. It is also common practice to call upon commissioners and ACC staff to expound upon the information provided in committee briefings, which actually happened while the research team was on site. A shortfall in this process is that this information is not always processed to make it easily accessible to citizens and claimants.
b) Oversight mechanisms for ACA	Oversight	Oversight committees with members of Parliament and senior	Accountable to the Executive without any oversight	In addition to the fiscal control functions of the RAA, which audits all government agencies, the ACC is overseen formally by two committees, one in each house of Parliament (the Assembly and the Council). However, there is no participation of prominent citizens or civil society in these committees or in any other advisory councils. The work of the oversight committees that do exist is laudable; it consists of

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
	committees with active participation by members of Parliament, senior civil servants and prominent citizens	civil servants as members	committee	detailed consideration of the ACC's annual reports, and often includes taking on recommendations for legislative action. One problem found by the research team relates to there not being any formal or informal mechanisms for following up on the committees' reports and recommendations to the prime minister and the Cabinet.
c) Internal complaints and review procedure within ACA	Complaints against ACA personnel are investigated by another government agency to avoid conflict of interest and results of investigation and punishment imposed are publicised	Complaints against ACA personnel are investigated by its internal control unit but results of investigation and punishment are not publicised	Complaints against ACA personnel are ignored or not investigated without any explanation	There is an internal complaints procedure with clear guidelines and rules, and with committee decisions made before disciplinary actions are taken. A new internal complaints mechanism was created in 2014, formally called the "grievance redressal mechanism". The results of internal investigations are published in aggregate terms in each annual report, but it is difficult to track specific cases with the information available on the website. The procedure is also not made easily available to people who are not conversant with basic technological features.
d) Staff disciplinary or dismissal with ACA	All valid complaints against ACA personnel result in punishment and punishment imposed is publicised	Some valid complaints against ACA personnel result in punishment and punishment	Complaints involving ACA personnel are ignored and not investigated at all	While no grievances have been adjudicated through the new mechanism yet, there have been seven disciplinary actions taken, two after external complaints. However, details of punishment and disciplinary measures are not publicised.

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
e) Public confidence in ACA treatment of persons under investigation	High level of confidence as reflected in the views of ACA senior personnel, civil society organisation leaders and journalists	Moderate level of confidence as reflected in the views of ACA senior personnel, civil society organisation leaders and journalists	Low level of confidence as reflected in the views of ACA senior personnel, civil society organisation leaders and journalists	There is broad confidence in the ACC's capacity for professional investigation and we were presented with evidence of the fact that all persons under interrogation are read their rights and a statement informing them of their right to legal representation. But three different sources, one of them at some point under investigation himself, suggested there was an issue with the heavy-handed, dismissive and disrespectful treatment of persons under interrogation, specifically.
f) Public confidence in an impartial and fair ACA, with adherence to due process	High level of confidence as reflected in survey findings (above 75%) and views of ACA senior personnel, civil society organisation leaders and journalists	Moderate level of confidence as reflected in survey findings (50%-75%) and views of ACA senior personnel, civil society organisation leaders and journalists	Low level of confidence as reflected in survey findings (below 50%) and views of ACA senior personnel, civil society organisation leaders and journalists	Our interviews with public officials, from a variety of agencies, including media and civic organisations, all manifested strong confidence in the capacity and legality of the ACC. There are two cases in which the powers of the ACC have been tested (on the basis of their being unconstitutional, or unduly depriving citizens of rights), but notably, the High Court has so far agreed with the legal argumentation of the ACC. One persistent problem, however, has been the Judiciary being unfamiliar with key corruption concepts like conflict of interest and quid pro quo. But this happens at the district level, not in the High Court, and is being tackled through Judiciary professional advancement training and outreach strategies. <u>Source:</u> Interviews with multiple stakeholders, ACC Annual Report, 2014, p. 76.
g) Public confidence in an impartial, fair ACA, with adherence to	High level of confidence as reflected in survey findings (above 75%)	Moderate level of confidence as reflected in survey finding	Low level of confidence as reflected in survey finding (below 50%)	SCORING NOT POSSIBLE: There is no effort to canvass or survey ACC claimants or clients to assess their experience. We recommend these mechanisms be put in place in section 4.

		INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
INDICATOR		HIGH	MODERATE	LOW	
due process, among users		and views of ACA senior personnel, civil society organisation leaders and journalists	(50%–75%) and views of ACA senior personnel, civil society organisation leaders and journalists	and views of ACA senior personnel, civil society organisation leaders and journalists	
7 PERCEPTIONS OF EFFECTIVENESS					
a) Public perception of ACA's effectiveness in corruption control		High level of effectiveness as reflected in survey findings (above 75%) and views of civil society organisation leaders and journalists	Moderate level of effectiveness as reflected in survey finding (50%–75%) and views of civil society organisation leaders and journalists	Low level of effectiveness as reflected in survey finding (below 50%) and views of civil society organisation leaders and journalists	The question in the National Integrity Assessment Survey asks "What do you think about the Anti-Corruption Commission's effort to combat corruption?" (See http://www.acc.org.bt/sites/default/files/NIA%202012%2015-08-2013_0.pdf .) 62% of respondents think the ACC is doing very well, and another 35% think it is doing fairly well. We have considered only the highest score, and here again make reference to the perception that there are not enough investigations completed and not enough "big fish" indicted. Furthermore, it remains to be seen whether the ACC can stay institutionally strong once its chairperson, who is perceived to be at the centre of the ACC's efficacy, is replaced. <u>Source:</u> Interviews with the Bhutan Transparency Initiative and the Bhutan Broadcasting Service. More on this is in section 4.
b) Public perception of ACA's effectiveness in corruption control among users		High level of effectiveness as reflected in survey findings (above 75%) and views of civil society organisation leaders and	Moderate level of effectiveness as reflected in survey findings (50%–75%) and views of civil society	Low level of effectiveness as reflected in survey finding (below 50%) and views of civil society organisation leaders and	SCORING NOT POSSIBLE: The ACC does not distinguish between people in contact with the ACC and respondents at large in its survey. It also does not have a follow-up mechanism to survey ACC complainants once their complaints have been resolved. It will be important moving forward, and as the backlog is reduced, to introduce user satisfaction surveys to explore users' perception of effectiveness and satisfaction with the results and service provided by ACC authorities.

INDICATOR	INDICATOR VALUES			JUSTIFICATION OF SCORES AND DATA SOURCES
	HIGH	MODERATE	LOW	
c) Public perception of ACA's effectiveness in corruption control among female users	journalists	organisation leaders and journalists	journalists	<p>High level of effectiveness as reflected in survey findings (above 75%) and views of civil society organisation leaders and journalists</p> <p>Moderate level of effectiveness as reflected in survey findings (50% civil society organisation⁷ and views of civil society organisation leaders and journalists</p> <p>Low level of effectiveness as reflected in survey finding (below 50%) and views of civil society organisation leaders and journalists</p> <p>SCORING NOT POSSIBLE: The ACC does not distinguish between people in contact with the ACC and respondents at large in its survey. More on this in section 4.</p>

4. CONCLUSIONS AND RECOMMENDATIONS

We have formulated three sets of recommendations. Two sets of recommendations are for key stakeholders of the ACC (system recommendations and oversight and accountability recommendations) and the other set is for the ACC itself.

SYSTEM RECOMMENDATIONS

The most urgent set of recommendations relates to addressing the backlog of investigations and ACC shortage of staff.

Recommendation 1: Government should identify and satisfy ACC needs required to reduce investigation backlog, increase the number of actual investigations and address concerns about operational autonomy in staff management

The discussion of ACC independence from the RCSC hinges on the issue of whether the RCSC should establish the rules and procedures for ACC staff entry and exit, and how that hampers the ability of the ACC to recruit creatively and aggressively and to address concerns over job stability from its existing staff. While the RCSC reported affording the ACC margin for the promotion of, evaluation of and disciplinary action against its staff, it has held fast on entry and exit control.

There are two alternatives: 1) to delink the ACC from RCSC rules, enabling it to have full operational autonomy over its staff and carry out its own recruitment strategy; and 2) to maintain the current scheme with ACC operation within the margins afforded it by RCSC rules and cooperation.

The first specific recommendation to address this problem is to convene a broad, open and participatory dialogue to explore the best way moving forward, so that a resolution can be agreed upon in the short term. This can be carried out by Parliament, by Government, or by the ACC, with parliamentary and RCSC support. The discussion over delinking the ACC has been going on for years, and the lack of resolution hampers the ability to address staff needs, one way or another. There are good, sound arguments behind both positions. But a decision needs to be made to prevent the issue from dragging out the new commission's work.

In the next section we propose that the ACC carry out an updated climate survey (an HR tool for exploring the level of stress and main challenges faced by the staff of an organisation, their level of satisfaction and the reasons behind their allegiance to their work). Though an assessment of this type was carried out in 2010, a new one is warranted to feed into the HR Master Plan under discussion with the SDC. It could be shaped to inquire specifically about the perceived costs and benefits of remaining under RCSC or moving toward operational autonomy from the perspective of existing ACC staff. The survey should also specifically include staff who have recently left the ACC.

If the decision is made to keep the ACC operating within the rules of the RCSC, then it is paramount to have the RCSC and Parliament plan out a strategy for addressing HR needs urgently, in concurrence with the ACC. Should this be the case, we specifically recommend:

Recommendation 1.1: The RCSC should create and develop a new functional management group under the Civil Service that is focused on auditing, control and investigation

In principle, all staff in the RAA and the ACC and some staff in the OAG could be part of this group, broadening their scope and reach and facilitating mobility between these agencies. Once the functional management group is defined and created, a plan to develop available resources should be put in place. A pool of 400–500 officers with auditing, investigation and prosecution experience is much more likely to cover the needs of the control system than the existing disjointed mixture of less than a hundred lawyers, prosecutors and investigators, on one hand, and the auditors, on the other.

Recommendation 1.2: The RCSC should revise its standards of compensating for risk and high stress, both financially and with additional support, and incorporate new criteria for promotion and relocation on this basis

This should be done in close collaboration with the ACC and acting upon the results of the proposed survey, and considering ACC vulnerability in the sectors it has worked in.

If the decision is made to afford the ACC operational autonomy, the ACC should craft its recruitment criteria, rules and procedures.

In both cases, either the ACC (if independent) or the RCSC and the ACC should:

Recommendation 1.3: The RCSC and/or the ACC should produce a financial and strategic plan that identifies financial needs, environmental constraints and specific recruitment targets

If the HR Master Plan is such a plan, it should have RCSC and parliamentary buy-in, and it should specifically identify targets that can be monitored and acted upon in the short term. For example, to reduce attrition rate by 50 per cent or recruit a minimum of four new integrity promotion officers and a key senior post.

Recommendation 2: Government should improve the OAG and the ACC’s capacities to prosecute corruption

The ability of the OAG to prosecute corruption is constrained by its HR. It will be important to shore up that capacity as the ACC is strengthened, and begins to investigate all cases subject to investigation. This is because it will likely turn more cases over for prosecution, as many as three times more, once all vacant integrity promotion officer positions are filled and working properly.

In comparison to the RAA (with over 200 staff) and the ACC (with 78, but a planned workforce of over 130), the resources of the OAG do not match up. Addressing this glaring gap early on will be key to ensuring it can catch up in the medium term.

One last factor to consider in this regard is that as anti-corruption cases grow more and more complex (as they have in these nine years, and will undoubtedly continue to in the medium term), the specialisation and seniority of the prosecutors will also need developing. This means that prosecution should not only be enhanced in the OAG, but also in the ACC.

Efforts should be made, by Parliament and the government with ACC and OAG support, to determine the fluctuating needs for legal and prosecutorial expertise in the ACC, ensuring there are enough

resident prosecutors to facilitate collaboration with the OAG and ultimately enable the ACC to directly prosecute in relief of the OAG.

The sooner the gap is addressed, the better able the system will be to prosecute corruption cases in the future.

Recommendation 3: The Ministry of Finance and Parliament should revise their public financial management practices to ensure no needs-based requests are denied for not having been considered in previous planning activities

Develop a realistic resource needs assessment for the ACC in the medium term and a financial plan for ensuring these needs are met.

In the last two years this request has been disregarded because a proposed set of activities was not foreseen in the five-year plan. But that rationale undermines the fact that needs change, and it is an essential principle of good public management that policies, budgets and institutions must consistently adapt to meet the problems and challenges arising from the shifting environment. This is especially important because the SDC, which has financed a significant proportion of the ACC budget, is implementing an exit strategy – more on this below.

OVERSIGHT AND ACCOUNTABILITY RECOMMENDATIONS

Recommendation 4: Parliament and the ACC should improve transparency and citizen participation

Citizen participation is important in overseeing the work of ACAs for a variety of reasons: because it makes the right to participate in government established in the covenant on political and civil rights a reality, because it creates a dialogue and prospective feedback between the ACA and its clients and users, citizens; and because it affords citizens and organisations a more accurate understanding of the challenges faced by the ACA. The goal of this participation is not to add one more layer of complexity to the oversight and control structure but to create bridges of understanding and legitimacy between the agency and society, at a different level than as “users”. Bringing in external civil society in one form or another to the oversight process underway would be beneficial to the integrity efforts, to the purported goal of deepening civil society participation in the current five-year plan, and to the stated goal of promoting social accountability as part of the NIACS.

While the standard set by the proposed tool is high, and not often found in practice, international agencies support external citizen participation for policing and prosecution functions, which an investigative ACC takes on.³⁶

Regionally, the methodology proposed by Transparency International identifies a good practice of external oversight, in the form of advisory or review committees that include citizens. Hong Kong’s Independent Commission against Corruption (ICAC) has four advisory committees, which consist of both citizens and civil servants: the Advisory Committee on Corruption; the Operations Review Committee; the Corruption Prevention Advisory Committee; and the Citizens Advisory Committee on

³⁶ See UNODC, *Handbook on Police Accountability, Oversight and Integrity* (Vienna, 2011), available at https://www.unodc.org/documents/justice-and-prison-reform/crimeprevention/PoliceAccountability_Oversight_and_Integrity_10-57991_Ebook.pdf. See also UNODC, *The Status and Role of Prosecutors* (Vienna, 2014), available at https://www.unodc.org/documents/justice-and-prison-reform/14-07304_ebook.pdf.

Community Relations.³⁷ The committees create not an additional reporting and control mechanism, but rather the spaces for citizen engagement and productive feedback.

There are alternatives before meeting this high standard, discussed here:

- a) The creation of an *advisory committee* in line with the ACC and Bhutan Government's strategies, which could be done convening the nine organisations the ACC already works with to promote social accountability, to discuss different activities related to their work, to engage them in a discussion of ACC results, and to present their reports formally, to discuss prevailing challenges.
- b) Promoting citizen and civil society participation *in the parliamentary oversight committee sessions*, through Parliament convening for participation in briefings to discuss the ACC report, or requesting written information to complement the report. Alternatively, organisations the ACC works with could also be summoned by the ACC when engaging the oversight committees.
- c) Making an effort to present the results of ACC reports to the public, in different spaces, with different target audiences, ensuring that the space facilitates a discussion, and the ACC receives specific feedback from citizens and civil society regarding its results and findings.

As it stands, oversight work leaves out civil society and citizens unnecessarily. Opening the process up is likely to a) strengthen the review process and b) increase awareness about the work of the ACC and the committees in charge of overseeing it. Ultimately, the goal of these spaces is to enable feedback, to engage civil society and citizens, to strengthen their capacities and to make them active participants of the anti-corruption strategy by holding ACC work accountable in their eyes.

These efforts should be carried out by the ACC and Parliament concurrently. They will help spur civil society participation and build trust between the ACC and existing organisations, not duplicate existing control mechanisms – which are more technical and specific. They will also require no changes to existing legislation or extraordinary allocation of resources.

Recommendation 5: Parliamentary oversight committees should create mechanisms for effective monitoring and follow-up

Creating a table and log of recommendations would allow future committees to track and develop information for improving integrity in the entire system, for identifying prevailing obstacles and eventually overcoming them.

Going forward, Transparency International will identify good practices of open parliamentary committee oversight as part of the regional assessment, to further inform the work of ACC staff and interested committee members in exploring alternatives. In the meantime, adhering to *Parliament Openness* principles regarding the creation of specific information and monitoring mechanisms can also help ACC senior managers and interested MPs identify practices they could heed.³⁸

Recommendation 6: Parliamentary oversight committees should develop criteria for the selection and nomination of commissioners, improve transparency in the discussions of the

³⁷ For committee structure and additional information see the ICAC's webpage, at http://www.icac.org.hk/en/checks_and_balances/ac/index.html.

³⁸ These principles, developed by a large community of practice with global reach, can be found at [OpeningParliament.org](http://openingparliament.org), *Declaration on Parliamentary Openness* (2012), available at <http://openingparliament.s3.amazonaws.com/docs/declaration/1.0/english.pdf>.

selection and nomination committee, and provide an ex post justification of the decisions made by the committee, for public awareness

RECOMMENDATIONS TO THE ACC

Based on the diagnostic assessment and areas of opportunity identified above, we have formulated six specific recommendations for the ACC moving forward, prioritising human resource management and the improvement of its communication strategy, including making its internal procedures available in order to facilitate public understanding.

Recommendation 7: The ACC should develop a diagnostic assessment of the HR situation in the ACC and the control system, and a plan to address HR needs in the short and medium term

This should be complementary to the existing HR Master Plan,³⁹ which emphasises recruitment and training, and did not formally use a climate survey. The plan should set targets to be met in the short and medium term, and alternative courses of action if plans are not met. Beyond the scope of the discussion proposed by Recommendation No. 4, above, these are all activities the ACC must carry out in the short term.

We are proposing a climate assessment survey of current and former employees, to get a strong sense and evidence of what is now only speculated: Why is it difficult to recruit middle and senior staff? What are the consequences of the demanding conditions of work in the ACC? What can be provided, in addition to a strong identity and enabling environment, to appease and motivate ACC employees? What is the position of ACC staff in relation to the question of delinking?

Recommendation 7.1: The HR plan should identify specific actions by specific public officials in the ACC and beyond to ensure recruitment needs are filled

This is not yet included in the HR Master Plan, and is indispensable for the medium term. There should be actions in place to recruit a specific target of officials by the end of 2016, including remedial courses of action identified in case targets are not met.

Recommendation 7.2: The ACC should explore collaboration with the RCSC, the OAG and the RAA, with parliamentary involvement, to develop the HR plan and meet HR needs in the short and medium term

This should happen whether or not the RCSC creates a new functional group. This can be a new set of activities related to current areas of collaboration.

Recommendation 8: The ACC should work to develop a broader and more nuanced communication strategy that facilitates access to and familiarity with ACC materials, campaigns and procedures from the perspective of citizens

This work should prioritise developing accessible materials on how to file complaints, how the ACC processes them and how it deals with internal complaints.

³⁹ During the stakeholder feedback discussions we had in the second week of August, the ACC made the HR Master Plan available to researchers. It is a strong document, which however does not consider climate assessments and has not explored scenarios if recruitment targets are not met. The HR Master Plan 2020 (Altius League Ltd. 2015) is available through consultation with the ACC.

The second component of this strategy should be social media, which is under-utilised for a broad range of reasons, with a very clear consequence: the ACC is absent from public conversations in social media.

The third component of this strategy should be setting clear strategic targets for outreach and education campaigns.

Recommendation 9: The ACC should develop a more nuanced monitoring and evaluation framework, setting targets for all of its activities and adjusting those targets as conditions and resource allocation shift to meet the needs of priority investigation of high-profile cases

This will be important mostly to develop an awareness of how prioritising case investigations can draw resources away from other work, and for setting minimum core activities that should not be affected by changes throughout the year. Two specific targets should be developed as soon as possible: short and intermediate targets to eliminate the backlog of cases, and short and intermediate targets for community outreach, directly or through work with civil society partners.

Beyond this, though, it is important for the ACC to develop an integrated monitoring and evaluation framework following best international practices. There are no actionable investigations and education targets, and where there are metrics, they do not connect to more strategic goals.⁴⁰

During our stakeholder consultation and feedback discussions in the second week of August, we became aware of the ACC currently exploring work with external consultants for an institutional training on monitoring and evaluation frameworks and developing indicators. As this process moves forward, the ACC must work to develop its own indicators, and especially to ensure these indicators link activities to strategic objectives.

Recommendation 10: The ACC should develop a user satisfaction survey to collect detailed information from claimants and citizens filing complaints

While this would not be applied to anonymous complaints (about half of all complaints), the application of the tool to the half of users who file under their name can make it easier to understand citizen expectations from the ACC and get a sense of the problem areas from citizen engagement of the ACC. At least two indicators here would also have actionable information: whether users have confidence in the legality and fairness of ACC procedures, and whether they consider its work effective.⁴¹

Recommendation 11: The ACC should explore ways of ensuring that persons under investigation, and especially persons under interrogation, are treated with dignity and respect

⁴⁰ For further reference consider two recent sources on monitoring and evaluation frameworks. The World Bank's guidebook is a good source for identifying the monitoring mechanisms in place, the gaps, the type of indicators and metrics needed, and the broad monitoring and evaluation cycle involving a broad range of stakeholders. Görgens, Marelize and Jody Zall Kusek, *Making Monitoring and Evaluation Systems Work* (Washington, D.C.: World Bank, 2009), available at <https://openknowledge.worldbank.org/bitstream/handle/10986/2702/533030PUB0moni101Official0Use0Only1.pdf?sequence=1>. A second resource with more specific indicators and practical cases was developed by U4. See Johnsen, Jesper et al., *How to Monitor and Evaluate Anti-Corruption Agencies: Guidelines for Agencies, Donors and Evaluations* (Oslo: U4, 2011), available at <http://www.cmi.no/publications/file/4171-how-to-monitor-and-evaluate-anti-corruption.pdf>.

⁴¹ Both UNODC, 2011 and UNODC, 2014 include detailed cases of user surveys in the context of a monitoring and evaluation framework.

While there is overall confidence in the fairness of the ACC and adherence to due process, the research team received complaints related to the harsh, disrespectful and heavy-handed treatment of persons under interrogation.

While it is understandable that these issues arise, it would be advisable to incorporate UN guidelines for prosecutors in the reference and training materials of the ACC. These guidelines emphasise human dignity and awareness of human rights at all times, and they are likely to strengthen the overall capacity of ACC investigators as it relates to their quasi-prosecutorial functions.⁴²

Recommendation 12: The ACC should develop a programme-based financial management system, to more effectively discern between activities by type

More broadly, a conversation on financial needs in the medium term is needed to ensure there is a plan in place to replace SDC funding with public resources and that sufficient funds are allocated to meet ACC needs. Without a needs-based cost assessment of how much the ACC needs at its optimal level of work, anchoring the budget to a proportion of the national budget or GDP might not be enough (the current budget is about 0.35 per cent of the overall budget, considering an ACC budget of US\$1.62 million expended or US\$1.9 million allocated as a proportion of the overall budget of Bhutan, at US\$522 million).

Recommendation 13: The ACC should develop a plan for being more proactive, specifically in relation to investigations

It should use its research and survey resources with a purpose, and further the risk assessments it has already undertaken. This will allow ACC staff to more precisely identify corruption risks. As the private sector and government regulation develop, it will help the ACC identify specialisation and expertise needs to meet the challenges in corruption. And it will facilitate proactive investigation and prevention in cases and areas of priority interest.

⁴² There are two key references: UN, *Guidelines on the Role of Prosecutors* (1990), paragraphs 12 and 13, available at: <http://www.ohchr.org/Documents/ProfessionalInterest/prosecutors.pdf>; and UNODC, 2014, which lists general duties and rights of prosecutors in section 5, pp. 28–30.

CONCLUSION

The ACA of Bhutan has played an important role in the democratisation and opening up of government since its inception in 2006. It has made important contributions to citizens' awareness and understanding of the meaning and consequences of corruption. It has achieved a strong reputation in a short time and is known as a force to be reckoned with. It is undoubtedly one of the pillars behind the strong perception of government integrity and one of the instruments through which transparency and good governance are built.

In only nine years, the ACC has developed a formidable reputation in the country, it has built institutional capacity to carry out its broad mandate and detailed functions, and it has managed to investigate high-profile corruption cases and even prosecute them directly. It has also managed to develop country and sector specific risk assessments and carry out system reviews developing generally applicable lessons from specific investigations.

The ACC is part of a vibrant regional network of support and has tapped into an international community of practice for furthering its capacities. Its staff, while limited in number, are convinced of the relevance of the ACC mission and the importance of their role in crafting good governance.

The ACC is a consolidated institution with a clear mandate, a clear vision, well-established capacities and a strong *sprit de corps*.

The conditions for the institutional strength and capacity of the ACC, however, are in flux, and the commission has reached an important juncture. The incumbent commissioners and chairperson must decisively and definitively address these problems. They have dragged on for as long as the ACC has existed. There has never been enough HR, and the backlog of investigations is a persistent threat to the reputation and role of the ACC. Furthermore, recent changes carried out by the RCSC and parliamentary interest in addressing the question of delinking the ACC from RCSC rules create almost ideal conditions for a broad national dialogue on the way forward, which would not only address the broader context of human resource scarcity in the country (including lawyers, and prosecutors), but also ground institutional efforts within the ACC to aggressively recruit senior managers.

It is the opinion of the researchers involved in this assessment that the only way to address HR scarcity is *integrally*, whether the ACC is effectively delinked from the RCSC or not (these two possibilities are addressed in the recommendations section below). The discussion should include the ACC, the RCSC, the RAA and especially the OAG, all of which suggested in our most recent stakeholder meetings that staff turnover and scarcity is also a problem for them, especially relevant for effective prosecutions in the future.

In addition, both Parliament and the ACC must address the financial situation of the ACC and other control agencies in the medium term. The ACC has had access to cooperation funding from the SDC that will soon cease, as the SDC prepares its exit from the country. The ACC and the government have made explicit reference to their willingness and ability to complement the ACC budget when that happens, as needed, but in recent years, the Ministry of Finance has recommended not meeting ACC budget requests on the basis of not having been considered in the eleventh five-year plan, against best public financial management practices, which recommend flexibility and needs-based budgeting). While budget constraints are always an issue in developing countries, efforts must be made to at least ensure a thorough consideration of the ACC budget needs, which are likely to increase as senior staff recruitment increases and more corruption investigations are made.

Another issue both Parliament and the ACC must address, which also relates to the overall conditions of transparency and good governance, is *oversight*. Now is the right time to strengthen oversight and

accountability by creating more effective monitoring and evaluation mechanisms, by opening up the oversight processes so that citizens and organisations can attest to accountability mechanisms at work, and so they can engage the ACC in a productive dialogue on the way forward. This dialogue has already been initiated with a broad portfolio of social accountability work, despite the limited capacities of civil society organisations.

Given the ongoing institutional development processes underway in the ACC, including work to develop a master plan for HR recruitment and management and the development of a monitoring, evaluation and learning framework, the time is also right for the introduction of specific instruments to improve institutional capacity in the medium and long term. This will be important to improve the position of the ACC as the private sector develops and the likelihood of corruption increases.

This last point is important moving forward. There is an expectation in Parliament, media and the ACC proper that acts of corruption will decrease over time. International experience suggests otherwise. For a variety of reasons that include private sector development, international trade with countries where corrupt practices are more prevalent, the devolution of functions and resource allocation to the local level, and resource shortages in the broader system of external control and justice procurement, there is likely to be an *increase* in high-profile corruption cases in the future, not a decrease. The Asian Development Bank has acknowledged as much at least since 2012 – and it has incorporated an increased risk assessment of corruption in its current country plan. This is a natural process, one that will test the strength and capacity of the ACC in the short and medium term, and that can be preemptively addressed by acting now that the opportunities exist to shore up institutional conditions for effective work. Today, the ACC has the great advantage of having a wealth of knowledge and processes facilitating proactive action available to it. This will help it stay ahead of the curve. We can think of no greater compliment and tribute to the extraordinary work done so far by the ACC staff and leadership.

ANNEX 1: BACKGROUND TO THE PROJECT

Transparency International believes that Anti-Corruption Agencies (ACAs), as public institutions tasked with combatting corruption, must be transparent, accessible and accountable to citizens. They must operate with the utmost integrity, maintain a reputation of objectivity and professionalism and demonstrate effectiveness in their duties. Transparency International has identified ACAs as key partners in the fight against corruption and plans to work in constructive collaboration with governments who are ready to invest in improving their anti-corruption effectiveness by building strong oversight and enforcement mechanisms.

Transparency International's initiative aimed at strengthening anti-corruption agencies combines biennial assessments of ACAs with sustained engagement, dialogue and advocacy at both national and regional levels. A robust assessment tool was developed over a period of two years in consultation with numerous experts and practitioners around the world. In mid-2013, Transparency International convened an experts meeting in Kuala Lumpur to explore the possibility of developing an ACA assessment tool. After receiving encouraging feedback and useful input, Transparency International commissioned a background review and draft framework by anti-corruption specialist, Alan Doig. The concept received further interest and backing from ACAs in Asia Pacific during the 18th and 19th Steering Group Meetings of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific in 2013 and 2014.

In 2014, Transparency International commissioned anti-corruption expert, Dr Jon Quah to further refine the framework, producing a set of indicators incorporating elements of TI's National Integrity Systems assessment methodology and other relevant tools and principles. In April 2015, Transparency International organised a Focus Group Discussion in Bangkok, bringing together practitioners, researchers and ACAs to scrutinise the indicator framework and approach. Participants subsequently formed an Advisory Group to guide the finalisation of the tool.

The tool was applied to Bhutan's Anti-Corruption Commission and lessons learned around the research framework, process and approach were captured and used to finalise the methodology in late 2015 in consultation with the Advisory Group.

ANNEX 2: INTERVIEWEES

Persons interviewed during assessment of ACC – Thimphu, June 2015

	Position	Organisation
1	Chairperson, Commissioners, Management and Staff	Anti-Corruption Commission
2	Commissioner	Royal Civil Service Commission
3	Vice Chairperson and Honourable Members	Good Governance Committee, National Assembly
4	Deputy Chairperson and Honourable Member	Good Governance Committee, National Council
5	Attorney General	Office of the Attorney General
6	Registrar General	High Court
7	Secretary	Ministry of Economic Affairs
8	Secretary	Ministry of Works and Human Settlement
9	Joint Secretary	Ministry of Finance
10	Director General	Royal Institute of Management
11	Chief Administrative Officer	Centre for Bhutan Studies & GNH Research
12	Director of Cooperation	Counsellor of Swiss Agency for Development and Cooperation
13	Executive Director, Programme Coordinator and Board Member	Bhutan Transparency Initiative
14	Chief Editors	Bhutan Today
15	Chief Editors	Bhutan Broadcasting Service Corporation
16	President	Journalist Association of Bhutan

ANNEX 3: STAKEHOLDERS CONSULTED

Persons engaged during consultation on assessment findings – Thimphu, August 2015.

	Position	Organisation
1	Chairperson, Commissioners, Management and Staff	Anti-Corruption Commission
2	Outgoing Chairperson and Commissioners	Anti-Corruption Commission
3	Commissioner	Royal Civil Service Commission
4	Vice Chairperson and Honourable Members	Good Governance Committee, National Assembly
5	Deputy Chairperson and Honourable Member	Good Governance Committee, National Council
6	Attorney General and prosecutors	Office of the Attorney General
7	Registrar General	Supreme Court
8	Deputy Auditor General and Assistant Auditor General	Royal Audit Authority
9	Secretary	Ministry of Economic Affairs
10	Secretary	Ministry of Works and Human Settlement
11	Director of Department of National Budget	Ministry of Finance
12	Director General	Royal Institute of Management
13	Director of Cooperation	Counsellor of Swiss Agency for Development and Cooperation
14	Executive Director, Programme Coordinator and Board Member	Bhutan Transparency Initiative

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