

CIVIL SOCIETY IN BHUTAN



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Executive Summary

This report, *Civil Society in Bhutan: Journey and Opportunities*, offers a comprehensive overview of civil society's evolving role in Bhutan, underscoring its historical roots, current status, and the complex policy and legislative environment shaping its future. It brings to light how Bhutan's communal and cultural values laid the groundwork for a vibrant civic space, with deep-seated practices of mutual aid and interdependence that have naturally evolved into today's structured civil society organisations (CSOs).

The first section provides a historical context, tracing Bhutan's civil society ethos to village-based traditions of support and cooperation, reflecting principles that resonate with Buddhist values of compassion and collective welfare. It details how these values have transitioned into formal CSOs, highlighting pioneering organisations, such as the Royal Society for Protection of Nature (RSPN) and Tarayana Foundation, and the role of the Royal Family in fostering civic engagement and environmental conservation.

Further sections explore the "third sector's" positioning within the broader social framework, acting as a bridge between governmental and market functions. By mapping CSOs' activities across domains—environmental conservation, cultural preservation, health, governance, and social support—the report illustrates the distinct but complementary role civil society plays in Bhutan's socio-economic landscape.

The policy environment shaping the sector is thoroughly examined, with specific focus on the Civil Society Organisations Act of 2007 and its recent amendments. These legal frameworks are critically assessed for their impact on CSOs' capacity to engage in advocacy, resource mobilisation, and service delivery. Importantly, the report discusses the challenges that come with mandated endowment funds and operational restrictions, issues that CSOs face while seeking to fulfill their mandates.

Concluding with recommendations, the report advocates for enhanced collaboration between the government and civil society, suggesting annual meetings and platforms for constructive dialogue with policymakers, the CSO Authority, and Parliament. Additionally, it calls for more inclusive policies to ease operational constraints on CSOs, encouraging a balanced regulatory approach that recognises the sector's contributions to national development.

By capturing these insights, this report provides an informative snapshot of Bhutanese civil society and serves as a foundational reference for understanding the ongoing journey and opportunities for civil society in Bhutan.

It must be noted that this report is, by no means, a critique of government policies and legislation on civil society. It is a modest attempt at capturing the narrative of the civil society in Bhutan as a growing sector eager and committed to upholding public service values, such as responsibility, accountability, and service to the *Tsa Wa Sum*.

As Old As the Mountains: Civil Society in Bhutan

In a small village in Mongar, when someone stands on the vantage point above the village and sounds the usual clarion call, the entire village comes to a halt. As the messenger shouts ‘Hola, the sick is no more’, in the busy fields, the men set the oxen free and women put down their tools to head to the house of the deceased carrying whatever rice, vegetables, butter, and cheese they can spare.

For the next 49 days, the entire community comes together to give the deceased a deserving farewell. The grieving family sits in a corner praying as the community takes over the conduct of cremation and elaborate one-week, two-weeks, the 21st day, and the 49th day rituals.

For most villages in eastern Bhutan, death is a serious communal affair. It brings the entire community to a standstill. The same goes for sickness, community temple, communal footpath, irrigation water, farming, and festivals.

This is how the communities in Bhutan, isolated from each other by mountains and raging rivers for centuries, have thrived. They have willingly donated their time, resources, goodwill, and other non-economic assets outside of the public sphere of life, even before they had the faintest idea of the modern concept of civil society.

The Bhutanese villagers did not exist as separate individuals competing against each other to survive and prosper, but as communal beings relying on each other for survival, goodwill, support, and prosperity. This indicates a strong culture of civil society in Bhutan, rooted in cherished values such as volunteerism, social security, interdependence, compassion, and communal welfare. Among these values, rural communal life is based on social security (མི་སྡེའི་བདེ་སྤྱད་), interdependence (རྟེན་འབྲེལ་), and communal welfare (མི་སྡེའི་ཕན་བདེ་), which are at the core of Buddhist philosophy. Supporting each other during times of sickness and death by volunteering time, resources, and energy is a strong social safety net that leaves no one behind. They rise by lifting each other up.

Bhutan's rural communal life is also strongly influenced by the Buddhist concept of interdependence or dependent origination, which emphasises that no individual exists as an independent entity. Like everything else in nature, all human beings are inherently dependent on each other for wellbeing, happiness, and prosperity. This is the basis for self-help groups and



The Bhutanese villagers did not exist as separate individuals competing against each other to survive and prosper, but as communal beings relying on each other for survival, goodwill, support, and prosperity.

mechanisms.

Additionally, communal welfare is a collective aspiration. The villagers are expected to prioritise community interests over self-interest (རང་དོན་ལས་གཞན་ཕན་གལ་ཆེ་). The community is the foundation for survival and prosperity.

All of these values have given rise to long-standing traditions of farmers coming together to build and renovate temples, mule tracks, irrigation canals, grow and harvest crops, and organise rituals and festivals. Today, with material prosperity, villages tend to become more independent and individualistic.

In urban communities, where members lack ancestral bonds, life is more individualistic. It becomes an endless cycle of competition without even the spirit of good neighbourliness. Therefore, there is a trend among people from the same villages living in Thimphu to form tshogpas or associations to recreate the good old culture of rural Bhutan. However, any attempt to formalise such traditions can often feel arbitrary and stilted.

The formal, organised sector we see today is the modern replication of ancient civic values that have kept our communities together for centuries.

The clarion call is still sounding. Will the community stop to listen?

The Third Sector: Locating Civil Society in Bhutan

The term third sector refers to the civic space located between the government, which is political in nature, and the market, which is profit-oriented in nature. It is the civil society space, which includes CSOs, which is apolitical and non-profit. Therefore, it is one step removed from political or profit motives. In a democratic society, it is considered an institution as important as the government and the private sector. The government, the private sector, and the civil society – the three sectors – come within the ambit of the overarching entity called the state.

In Bhutan, civil society is located through the following diagram.



In a democratic society, it is considered an institution as important as the government and the private sector.

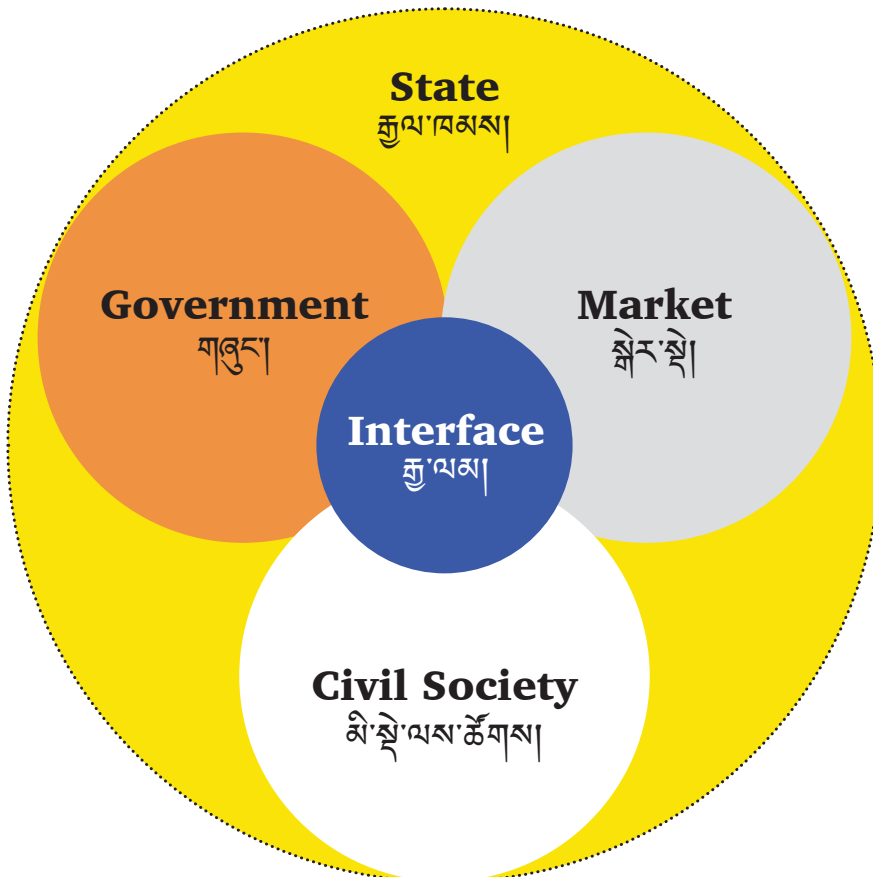


Figure 1: CSOs' place in society

The state

The biggest geo-political entity of the nation is the state. In Bhutan, it is the biggest circle holding in its embrace three smaller entities, namely the government, the market, and civil society. It is yellow in colour because it is the colour of His Majesty the King, who represents the state.

The three circles: The three circles within the state are equal in size, representing their equal importance to society. However, they are in different colours, representing their different mandates. The three circles are not isolated from each other, symbolising that they cannot function in isolation from one another.

The orange circle

The orange circle represents the government. In a democracy, the government is political in nature. It is orange in colour because orange is the colour of the cabinet. The circle represents the three branches of governance, namely the executive, the legislature, and the judiciary.

The grey circle

The grey circle represents the market or the private sector, which is profit-oriented in nature. It is grey in colour because grey represents the colour of jewels. The private sector represents the wealth of the nation.

The white circle

The white circle represents civil society, which is neither political nor profit-oriented. It is the third sector, non-profit in nature outside the influence of politics and market forces. It is white in colour because it represents values such as volunteerism, humanity, passion, and compassion.

The interface: The three circles overlap. Their meeting point represents the space for collaboration and cooperation. This is the common ground for complementing one another. It is blue in colour because it is the colour of the people's representatives. It is where distinctions merge and assume the colour of the people.

The Organised Sector: The Birth of CSOs in Bhutan

// The Throne nurtured such NGOs and prepared them to serve the country by complementing and supplementing the efforts of the Royal Government.

The origin of formal non-governmental organisations (NGOs) can be directly traced back to the noble vision and initiative of the members of the Royal Family. For instance, recognising the need to escalate the efforts in environmental conservation and civic engagement in governance, His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuck commanded the establishment of the Royal Society for Protection of Nature (RSPN) in 1987. It was the first formal Bhutanese NGO to be established in the country. Today, Her Majesty The Gyaltsuen Jetsuen Pema Wangchuck is the Royal Patron of RSPN.

Bhutan Youth Development Fund (BYDF) was also established through a Royal Kasho issued by the Fourth Druk Gyalpo. Currently, Her Majesty The Gyalum Tseyring Pem Wangchuck is the Royal Patron of BYDF. Similarly, Her Majesty Gyalum Dorji Wangmo Wangchuck is the founder and Royal Patron of Tarayana Foundation. The Throne nurtured such NGOs and prepared them to serve the country by complementing and supplementing the efforts of the Royal Government.

In the fifth five-year plan (1981-1987), Her Royal Highness Ashi Sonam Choden Wangchuck established the National Women's Association of Bhutan (NWAB) in 1981. The NWAB aimed to empower women by encouraging women entrepreneurship, cooperatives, and economic community groups. It started training weavers and its initiatives have given rise to Handicrafts Emporium, weaving centres, natural dyeing units and so on.

Formalisation of CSOs

By 2007, there were already around 15 NGOs in the country (Table 1). Thus, recognising the expediency to 'provide for the establishment and registration of Civil Society Organisations to strengthen civil society...' (Royal Government of Bhutan, 2007), the National Assembly of Bhutan passed the Civil Society Organisations Act of Bhutan 2007 during its 87th Session on 20 June 2007.

Table 1: List of CSOs in Bhutan established before formal registration in 2010

Name of CSO	Year of Establishment
Royal Society for Protection of Nature	1987
VAST Bhutan	1998
Film Association of Bhutan	1999
Bhutan Youth Development Fund	1999
Loden Foundation	1999
Royal Society for Protection and Care of Animals	1999
Association of Bhutanese Tour Operators	2000
Construction Association of Bhutan	2000
Jangsa Animal Saving Trust	2000
Ogyen Choling Foundation	2001
Draktsho Vocational Training Centre for Special Children	2001
Tarayana Foundation	2003
Respect Educate Nurture Empower Women	2004
Royal Textile Academy	2005
Handicrafts Association of Bhutan	2005
Music of Bhutan Research Centre	2008
Bhutan Centre for Media and Democracy	2008

The CSO Act was supposed to have come into force from 31 July 2007. However, the CSO Authority itself was established only on 20 March 2009 following a resolution by the National Council of Bhutan requiring the Government to implement the Act. The CSOA Secretariat was established about a year later (2010) following which 11 local NGOs were registered as CSOs (Figure 2).

By the end of 2023, the CSOA had registered 63 CSOs, of which 10 had deregistered. Of the 53

CSOs (as of 22 August 2024), 12 of them are Mutual Benefit Organisations (MBOs) and 41 are Public Benefit Organisations (PBOs). It is expected that around a dozen new CSOs will be registered in 2024.

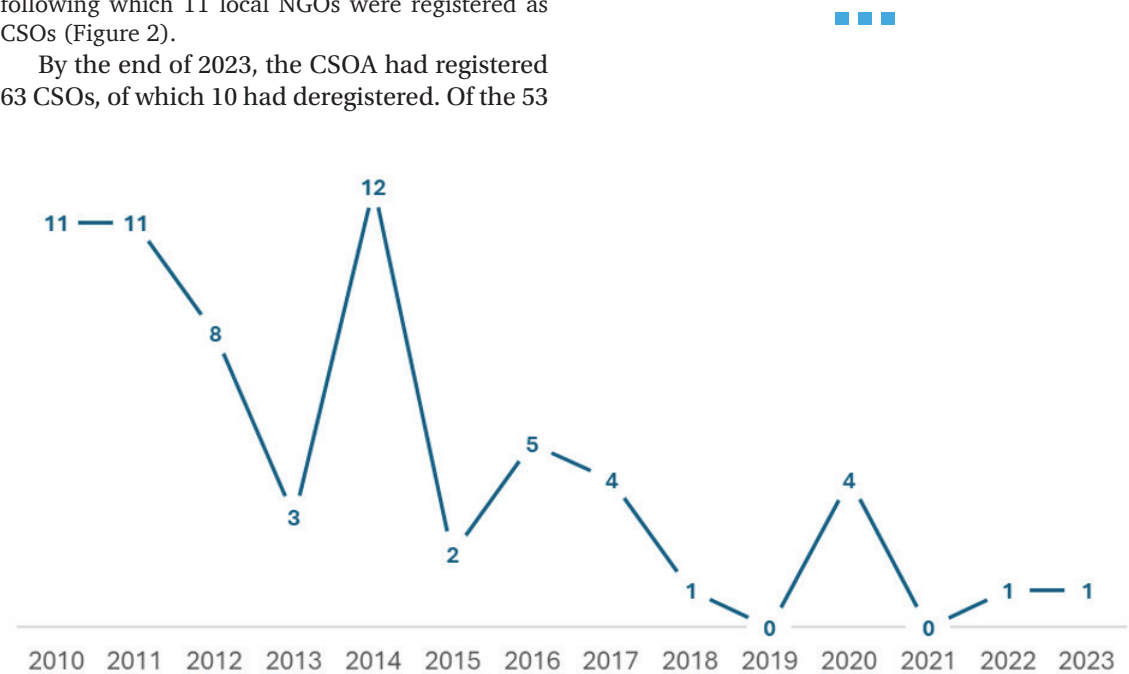


Figure 2: Number of CSOs registered from 2010-2023

Nurturing a Fraternity

Formation and Evolution of the Bhutan Civil Society Network (BCSN)

Civil Society organisations (CSOs) in Bhutan have long understood the importance of collaboration in addressing national challenges and advancing their shared goals. To better coordinate their efforts, CSOs initially organised themselves into eight thematic groups, each reflecting a distinct area of focus aligned with their mandates:

Members of the Arts and Culture TG

This thematic group aims to preserve, promote and educate on the cultural ethics of the country. They work towards nurturing a creative society. There are six CSOs under this group;

- Film Association of Bhutan
- Music Bhutan Research Centre
- Ogyen Choling Foundation
- Royal Textile Academy
- VAST Bhutan
- Bhutan Film Institute



Members of the Art and Culture TG from the TG coordination meeting

Education and Youth Development

This thematic group represents and works towards the goal of a brighter future for the youth by ensuring access to quality education, meaningful participation and wider opportunities. There are six CSOs under this group:

- Bhutan Youth Development Fund
- Organisation for Youth Empowerment
- Centre for Research on Bhutanese Society
- Phuentsholing Sports Association
- Loden Foundation
- Menjong Foundation



Members of the Education and Youth Development TG from the TG coordination meeting

Environment and Climate Change

This thematic group works for an environmentally sustainable society for the future generation and wider opportunities. There are five CSOs under this group:

- Bhutan Taxi Association
- Bhutan Ecological Society
- Clean Bhutan
- Royal Society for Protection of Nature
- Tarayana Foundation



Members of the Environment and Climate Change TG from the TG coordination meeting

Gender and Vulnerable Groups

This group aims to nurture an inclusive society by instilling community vitality, empowering women and providing quality opportunities for individuals with diverse disabilities to become self-reliant and live a contented life.

- Ability Bhutan Society
- Disabled People's Organization of Bhutan
- Draktsho Vocational Training Centre for Special Children
- Nazhoen Lamtoen
- Pel Drukdraling Foundation
- Phensem Parents Support Group
- Respect Educate Nurture Empower Women
- Royal Society for Senior Citizens



Members of the Gender and Vulnerable TG from the TG coordination meeting

Good Governance, Media, and Democracy

This group protects and promotes a democratic culture that best suits Bhutan's socio-cultural norms and ethos. There are six CSOs under this group;

- Bhutan Centre for Media and Democracy
- Bhutan Media Foundation
- Bhutan Transparency Initiative
- Evaluation Association of Bhutan
- Guide Association of Bhutan
- Journalists Association of Bhutan



Members of the Good Governance, Media, and Democracy TG from the TG coordination meeting

Health and Sanitation

This group consists of health advocates. They work towards building a happy society through the promotion of health and healthy lifestyle. There are five CSOs in this group:

- Bhutan Kidney Foundation
- Bhutan Toilet Organization
- Bhutan Cancer Society
- Bhutan Stroke Foundation
- Lhak-Sam



Members of the Health and Sanitation TG from the TG coordination meeting

Socio-Economic Development and Livelihood

This group is the facilitator of socioeconomic development by creating a conducive environment. They reach out to the marginalised members of the society to improve their livelihoods based on GNH values.

- Association of Bhutanese Industries
- Association of Bhutanese Tour Operators
- Bhutan Association of Women Entrepreneurs
- Construction Association of Bhutan
- Financial Institutions Association of Bhutan
- Hotel and Restaurant Association of Bhutan
- Handicrafts Association of Bhutan
- Lhomom/Samdrup Jongkhar Initiative
- SAARC Business Association of Home Based Workers
- Gyalyum Charitable Trust



Members of the Socio-Economic Development and Livelihood TG from the TG coordination meeting

Wellbeing

This group consists of compassionate care-givers of all sentient beings. It provides sanctuary to those in need, both animal and humans based on GNH values.

- Barnyard Bhutan Animal Rescue and Sanctuary
- Bhutan Animal Rescue and Care
- Chithuen Phendhey Association
- Duedroi Rangwang Zhidey Tshogchung
- GNH Centre Bhutan
- Jangsa Animal Saving Trust
- Royal Society for Protection and Care of Animals



Members of the Wellbeing TG from the TG coordination meeting

These thematic groups aimed to bring together organisations with similar missions, allowing them to pool resources, share expertise, and collectively amplify their impact. Representatives from each thematic group formed a Core Coordination Committee (CCC), which also included two additional members representing CSOs at the Civil Society organisations Authority (CSOA). The CCC was responsible for coordinating quarterly

meetings, organising annual conferences, and facilitating discussions on issues affecting the broader CSO community. By acting as a bridge between the thematic groups and the larger CSO ecosystem, the CCC played a pivotal role in ensuring a cohesive and unified approach to advocacy, service delivery, and sectoral development.



Quarterly Meeting 2023

Reorganisation and the Birth of the BCSN

As the network grew, members began to voice concerns regarding the exclusivity implied by the term “Core Coordination Committee.” Many felt that the name did not adequately represent the collective spirit of the CSO community, leading to the need for a more inclusive structure that better reflected the collaborative ethos of the sector.

In December 2021, these concerns prompted a significant reorganisation. The CSOs decided to rebrand and formalise their collective identity under a new name: the Bhutan Civil Society Network (BCSN). The former CCC was restructured and renamed the Executive Committee (EC) of BCSN. This rebranding marked a deliberate shift toward a governance structure that truly represents the diversity of voices and organisations within the CSO community.

The EC now serves as the primary decision-making body for the network, responsible for steering BCSN’s strategic direction, organising sector-wide activities, and representing CSOs in engagements with government bodies, international organisations, and other stakeholders. To further strengthen representation, the EC elected a chairperson to act as the face and voice of BCSN, advocating for the CSO community’s needs and priorities and ensuring alignment with national development goals.

A. Enhancements in Governance and Operational Structure

The rebranding and restructuring of BCSN were more than symbolic; they brought tangible improvements to the network’s governance and operations:

B. Establishment of a Secretariat Office: The enhanced governance structure enabled BCSN to establish a full-time Secretariat Office, staffed with dedicated personnel who manage day-to-day operations and coordinate network activities. This professional setup has significantly improved the efficiency and effectiveness of BCSN’s initiatives.

C. Development of Strategic and Communication Plans: BCSN developed two key documents: (1) a Strategic Plan for the Executive Committee of BCSN and (2) a CSO Communication Strategy. These plans have provided clear guidance for the network’s long-term objectives and facilitated more cohesive communication both within the network and with external stakeholders.

D. Increased Confidence and Funding from Donors: The improved structure and operational capacity led funding agencies to raise BCSN’s annual budget from Nu. 1.5 million to Nu. 2.5 million. This increase

reflects growing confidence in the network’s ability to deliver impactful results and manage resources effectively.

E. Collaboration on Key Initiatives: BCSN collaborated with partners like Nyamdrel and Helvetas to develop the Parliament-CSO Collaboration Guideline, which was launched by the Parliament of Bhutan. This guideline serves as a crucial framework for fostering constructive engagement between CSOs and the legislative branch, ensuring that civil society’s perspectives are integrated into policymaking processes.

F. Thematic Group Meetings: For the first time, the BCSN Secretariat organised thematic group meetings, in addition to the regular quarterly meetings and annual conferences. These focused discussions have enhanced coordination within specific sectors, allowing for more targeted and effective interventions.

G. Executive Directors (ED) orientation

programme: The BCSN Secretariat organised an orientation program for new EDs to facilitate their integration into the network. This program provided an introduction to the network and its members, highlighting partnership opportunities and associated challenges. The goal was to ensure that new EDs were thoroughly familiarised with the CSO ecosystem network’s structure, objectives, and key issues, enabling them to seamlessly integrate and contribute effectively to the organisation.

H. Improved Communication with Government and Partners: With a more structured governance model and a dedicated Secretariat, communication between BCSN, government agencies, and international partners has become seamless and professional. This has led to increased recognition and appreciation for the network’s role in national development.

The Road Ahead: Strengthening Unity and Impact

The rebranding and restructuring of BCSN have solidified its position as a unified and inclusive platform for Bhutanese CSOs. The network’s evolution reflects a deepened commitment to collaboration, inclusivity, and collective action, empowering CSOs to speak with a unified voice and better contribute to the nation’s development priorities.

BCSN’s journey highlights the importance of adaptive governance and continuous improvement in response to the changing needs of the sector. By building strong internal structures and fostering strategic partnerships, BCSN is poised to play an even more significant role in shaping Bhutan’s development landscape in the years to come.



The EC of BCSN



Meeting with EU delegates



Inauguration of BCSN Secretariat Office



Orientation of new Executive Directors

Hand in Hand with Government: CSOs in Nation Building

CSOs in Bhutan are vital partners in the nation's pursuit of sustainable development and the realisation of Gross National Happiness (GNH). Through their diverse mandates and community-centred approaches, CSOs address critical gaps, innovate solutions, and deliver services in areas that complement government initiatives. From empowering vulnerable communities to preserving Bhutan's cultural heritage, promoting environmental stewardship, and enhancing governance practices, CSOs have become instrumental in shaping Bhutan's developmental landscape. This chapter highlights the significant contributions of CSOs across the four pillars of GNH: socio-economic development, preservation of tradition and culture, environmental conservation, and good governance. By examining the impact of their work, the chapter underscores how CSOs not only align with national goals but also serve as key drivers of inclusive, balanced, and sustainable growth in Bhutan.

Socio-Economic Development: Empowering Communities and Driving Inclusive Growth

CSOs in Bhutan have been pivotal in fostering inclusive socio-economic development, with a special focus on marginalised and vulnerable communities. Their efforts have addressed critical gaps in healthcare, education, sanitation, employment, and poverty alleviation – often reaching areas and populations that government initiatives might struggle to cover due to logistical, resource, or capacity constraints. Through targeted programmes, CSOs contribute to national development while empowering individuals and communities to achieve socio-economic self-reliance.

A key area where CSOs make a substantial impact is livelihood creation and entrepreneurship development. The Bhutan Association of Women Entrepreneurs (BAOWE) exemplifies this by empowering women across the country through training, mentorship, and



access to credit facilities via microfinance. This support enables women to start and expand businesses, contributing not only to household income but also to community resilience and socio-economic growth. This effort is complemented by SAARC Business Association of Home Based Work (SABAH Bhutan) which works with home-based workers, primarily vulnerable women, by providing them with the skills, resources, and market access needed to achieve financial independence.

The Loden Foundation plays a critical role in nurturing entrepreneurship among young Bhutanese. Through training programmes and grants, the foundation supports aspiring entrepreneurs in turning their ideas into viable businesses. By investing in youth-led enterprises across diverse sectors, it has cultivated a generation



Award recipients with His Majesty The King

of innovative business owners who are creating jobs, generating income, and driving local economic development. Their emphasis on social entrepreneurship ensures that these businesses address community needs, further aligning with Bhutan's development priorities.

In rural communities, organisations like the Tarayana Foundation have transformed lives by building more than 3,000 homes and providing sustainable livelihood opportunities. Tarayana also offers microfinance facilities to rural communities, enabling them to access capital for small businesses and agricultural ventures. Additionally, Tarayana's training programmes in handicrafts, weaving, and organic farming allow rural communities to generate sustainable income, fostering economic independence and

resilience in even the most remote parts of Bhutan.

For specific vulnerable groups, CSOs have developed tailored approaches that integrate social support with livelihood generation. RENEW (Respect, Educate, Nurture, and Empower Women) provides microfinance facilities to women who are victims of domestic violence, empowering them to rebuild their lives through economic independence. By offering access to credit, training, and business opportunities, RENEW helps these women regain their dignity and confidence while contributing to their communities' economic development. Likewise, the Disabled People's Organisation of Bhutan (DPOB) provides critical skills training for persons with disabilities, helping them set up businesses and lead independent lives. Draktsho Vocational Train-

ing Centre for Special Children and Youth offers vocational training for children with disabilities, enabling them to acquire skills that open pathways to financial independence and dignified livelihoods.

Additionally, CSOs have innovatively integrated livelihood programmes into health and social services. Lhak-Sam has established business ventures that provide employment to people living with HIV, empowering them to lead dignified and financially independent lives. The Bhutan Stroke Foundation (BSF), Bhutan Cancer Society (BCS) and Bhutan Kidney Foundation (BKF) launched small enterprises that employ stroke survivors, cancer patients and kidney patients respectively as part of their rehabilitation process. This initiative provides a source of income for these individuals while helping them regain confidence and independence during recovery. Such models of integrating health recovery with livelihood generation demonstrate the creative approaches CSOs take to address multiple dimensions of socio-economic well-being.

The Royal Society for Senior Citizens (RSSC) engages senior citizens, providing platforms for them to contribute meaningfully to society through various programmes and initiatives. By leveraging the skills and experiences of older citizens, RSSC helps these individuals stay active and productive while addressing community needs. Similarly, VAST Bhutan supports its member artists by showcasing their artwork and connecting them with projects and commissions, enabling them to earn a living through their creative talents.

Professional associations like the Guide Association of Bhutan (GAB), Association of Bhutan Tour Operators (ABTO), Construction Association of Bhutan (CAB), Bhutan Taxi Association (BTA), Handicraft Association of Bhutan (HAB), Hotel and Restaurant Association of Bhutan (HRAB), Film Association of Bhutan (FAB), and the Association of Bhutanese Industries (ABI) play an essential role in driving socio-economic development in Bhutan. By offering skill development, advocacy, and networking opportunities for their members, these associations help create more resilient industries and empower individuals within their respective sectors. For example, GAB and ABTO are pivotal in enhancing service quality and promoting Bhutan's tourism sector internationally, while CAB works toward improving industry standards and labour welfare in the construction sector. Similarly, BTA, HAB, and HRAB contribute by providing support and representation for small-scale entrepreneurs, artisans, and service providers. Associations like FAB and ABI also play a critical role in advocating for industry-friendly policies and encouraging innovation. Through collective action and specialised support, these CSOs not only strengthen the socio-economic fabric of Bhutan but also contribute to creating sustainable livelihoods, fostering entrepreneurship, and

promoting overall industry growth.

The broader economic contribution of CSOs is substantial. A survey conducted in 2022 revealed that 54 CSOs collectively contributed more than Nu 1.8 billion to Bhutan's economy from 2020 to 2022, creating over 2,000 jobs. This contribution is impressive given the scale and resources available to CSOs, demonstrating their ability to mobilise funding, expertise, and community engagement. Over the last two years, CSOs have secured projects worth over 3 billion, surpassing all projections and reinforcing their growing influence in Bhutan's economic landscape. These projects span sectors like agriculture, handicrafts, youth employment, and community health, showcasing the diverse ways CSOs drive economic development while supporting vulnerable populations.

CSOs also enhance social capital by promoting values such as cooperation, trust, and collective action. By empowering communities to participate actively in their own development, CSOs strengthen societal resilience and cohesiveness. Their focus on sustainable, community-led initiatives ensures that economic growth is balanced with well-being, cultural preservation, and environmental sustainability.

Preservation of Tradition and Culture: Safeguarding Bhutan's Heritage and Identity

The preservation and promotion of Bhutan's unique cultural heritage are central to the identity and well-being of its people. CSOs in Bhutan have played a crucial role in safeguarding the country's rich cultural legacy, ensuring that traditional arts, crafts, languages, and practices continue to thrive in an era of rapid modernisation. Their efforts focus on both preserving intangible cultural heritage and promoting it in a manner that resonates with contemporary society while remaining faithful to Bhutanese values.

One key area where CSOs have made a significant impact is cultural documentation and archiving. Through meticulous research and community engagement, CSOs like Loden Foundation and Ogyen Choling Foundation work to document oral histories, folk traditions, and other forms of intangible cultural heritage that might otherwise be lost. This archival work not only preserves important cultural knowledge for future generations but also provides valuable resources for educators, researchers, and policymakers. By creating accessible databases and publishing materials, CSOs help ensure that traditional knowledge remains a living part of Bhutanese society.

In addition to documentation, CSOs like Music of Bhutan Research Centre (MBRC) have been instrumental in creating traditional music metadata. By recording and cataloguing Bhutanese traditional music, CSOs preserve musical forms, styles, and lyrics that are integral to the



For volunteering time and effort towards promoting values, our culture and tradition, and our national humanitarian objectives; for working passionately and tirelessly for the benefit of others; for taking on the responsibility to provide support and assistance wherever the government is unable to reach, and for keeping alive the sacred values of compassion and empathy.

country's cultural identity. This metadata serves as a valuable repository for cultural practitioners and researchers, while also providing a foundation for cultural education programmes. By making this information available to the public, CSOs contribute to keeping traditional music alive in the digital age, where younger generations can engage with their heritage in new ways.

CSOs like Tarayana Foundation and HAB also play a vital role in the promotion and preservation of traditional arts and crafts. By supporting artisans and craftspersons, they help sustain traditional skills that have been passed down through generations. They engage in programmes that not only teach these skills but also create platforms for artisans to showcase and sell their products, both locally and internationally. This support extends to capacity-building initiatives that enhance the marketability of traditional crafts while ensuring that artisans receive fair compensation for their work. By connecting traditional craftsmanship with modern markets, CSOs make it possible for these cultural practices to remain economically viable, thereby preserving them for future generations.

Moreover, Royal Textile Academy (RTA) and RENEW

have spearheaded initiatives focused on reviving traditional textiles and showcasing them through museums, cultural exhibitions and showrooms. These initiatives highlight the intricate weaving techniques and unique designs that are distinct to Bhutanese culture. By establishing museums and organising exhibitions, CSOs provide a platform to celebrate the beauty and cultural significance of these textiles. These efforts not only educate the public about the historical and cultural context of traditional weaving but also inspire renewed interest among younger generations. Additionally, by linking textile production with sustainable livelihoods, CSOs ensure that these age-old traditions continue to be valued in a rapidly changing society.

Caring for animals is deeply rooted in the Buddhist value of compassion, making it a vital aspect of Bhutan's cultural preservation. Animal welfare CSOs like the Royal Society for Protection and Care of Animals (RSPCA), Jangsa Animal Saving Trust (JAST), Bhutan Animal Rescue and Care (BARC), and Barnyard Bhutan Animal Rescue and Sanctuary have led numerous initiatives to protect and care for animals. These efforts include rescuing injured animals, providing Animal Birth Control (ABC) services, facilitating adoptions, and running feeding programs for stray animals. By addressing stray populations and promoting humane treatment, these organisations help reduce the spread of zoonotic diseases and enhance community health. Their work is not only an expression of Bhutanese cultural values but also demonstrating the interconnectedness of compassion, culture, and sustainability in Bhutan.

CSOs are also at the forefront of promoting the transmission of traditional knowledge and values across generations. Through cultural education programmes, festivals, and community events, they bring together young people, elders, and cultural practitioners to engage in shared learning experiences. These programmes emphasise the importance of Bhutan's spiritual and cultural traditions, such as language, rituals, and social norms, fostering a deep sense of pride and belonging among participants. By creating opportunities for intergenerational dialogue, CSOs help to ensure that modernization does not come at the expense of cultural erosion, but rather integrates tradition into the evolving identity of Bhutanese society.

Environment Conservation: Safeguarding Bhutan's Natural Heritage Through Innovation and Community

Bhutan's commitment to environmental conservation is deeply embedded in its national development philosophy, which is guided by the principles of GNH. CSOs in Bhutan have been instrumental in translating this philosophy into action by playing a critical role in preserving the environment and safeguarding bi-

odiversity. From conservation initiatives and waste management programmes to extensive research and policy advocacy, CSOs have become central to Bhutan's efforts to maintain its ecological balance while pursuing socio-economic development.

Among the leading CSOs contributing to environmental conservation is the RSPN, which has been at the forefront of preserving Bhutan's rich biodiversity for over three decades. RSPN's most notable success lies in the conservation of the black-necked crane, a species considered sacred in Bhutanese culture. Through rigorous research, community engagement, and awareness campaigns, RSPN has ensured that these migratory birds continue to thrive in Bhutan. Building on this success, it has now turned its focus to the critically endangered white-bellied heron, of which fewer than 60 individuals are estimated to remain worldwide. Their groundbreaking captive breeding program for the white-bellied heron, along with habitat restoration efforts, marks a significant milestone in global conservation efforts. The organisation's ability to attract substantial international funding and partnerships has not only bolstered these initiatives but also established RSPN as a model for conservation efforts in the region.

The Bhutan Ecological Society (BES) is another key player, focusing on promoting research and fostering community involvement in environmental stewardship. BES has created a substantial body of knowledge on Bhutan's ecosystems through scientific studies, which have informed policy-making and conservation strategies. The society's ability to secure international funding and partnerships, much like RSPN, underscores the importance of its research-driven approach. BES's work spans across forest conservation, climate change adaptation, and the promotion of sustainable agricultural practices, all of which are integral to maintaining Bhutan's status as a global leader in environmental conservation.

In addition to these research and conservation-focused organisations, other CSOs have taken on more grassroots and community-centric roles in environmental conservation. Clean Bhutan, for instance, has made significant strides in waste management. Through its Waste Academy, Clean Bhutan promotes innovative recycling and upcycling practices, encouraging communities to view waste as a resource rather than a problem. The organisation's hands-on approach, combined with its public education campaigns, has helped reduce littering and waste accumulation in both urban and rural areas, contributing to a cleaner and healthier environment.

Bhutan Toilet Organisation (BTO) has focused its efforts on improving sanitation and reducing wastewater pollution, particularly in areas not connected to centralised treatment systems. By introducing new

technologies like the Johkasou tank, BTO has provided efficient on-site treatment solutions, minimising the risk of untreated wastewater leaking into streams and rivers. Furthermore, BTO collaborates closely with the government to enhance the efficiency of existing treatment plants by providing data-driven insights enabled by the Shit Flow Diagram (SFD), a tool that maps the journey of waste and highlights critical areas needing intervention. These initiatives are essential for maintaining the integrity of Bhutan's water bodies and ensuring that development does not compromise the environment.

CSOs also play a vital role in engaging local communities and promoting grassroots-led conservation. By involving community members in initiatives like afforestation, sustainable agriculture, and eco-tourism, they ensure that conservation efforts are not only effective but also inclusive. This community-based approach fosters a sense of ownership and responsibility among citizens, making environmental stewardship a collective endeavour rather than a top-down mandate.

The success of Bhutanese CSOs in environment conservation lies in their ability to align their initiatives with both national priorities and global environmental goals. By leveraging research, innovation, and community participation, they have become indispensable partners in Bhutan's quest to remain a carbon-negative country while simultaneously safeguarding its natural heritage. As climate change and biodiversity loss pose growing threats worldwide, the contributions of these organisations serve as a beacon of hope, demonstrating how a small nation can lead by example in the fight for environmental sustainability.

Good Governance: Strengthening Accountability, Civic Engagement, and Democratic Values

Good governance is a cornerstone of GNH in Bhutan, ensuring that development is balanced, just, and inclusive. CSOs play a crucial role in this landscape by promoting transparency, accountability, civic engagement, and democratic values. Through advocacy, education, and monitoring, they complement government efforts in promoting transparency and accountability. By fostering participatory decision-making and empowering citizens, CSOs contribute to a more inclusive and responsive political environment that aligns with Bhutan's development goals.

One of the leading CSOs in the area of good governance is the Bhutan Transparency Initiative (BTI). BTI has been instrumental in championing transparency, accountability, and integrity in both public and private sectors. Through its research and advocacy, BTI sheds light on corruption risks, inefficiencies, and governance challenges, helping to shape policies that prioritise integrity and fairness. BTI's social accountability

programmes empower citizens to hold authorities accountable by providing tools and platforms to monitor government actions, report grievances, and engage in constructive dialogue with policymakers. By promoting responsibility at all levels of society, BTI strengthens trust in public institutions and fosters a culture of good governance that is crucial for the sustainable development of Bhutan.

Another significant contributor is the Bhutan Centre for Media and Democracy (BCMD), which has been at the forefront of promoting democratic values and civic engagement. BCMD's work focuses on educating citizens – particularly youth – on their rights and responsibilities within a democratic framework. Through workshops, dialogues, and media literacy programmes, BCMD equips individuals with the knowledge and skills needed to participate actively in the political process. The organisation also facilitates platforms for discussions on pressing social and political issues, bridging the gap between citizens and decision-makers. By fostering a deeper understanding of democracy and civic responsibility, BCMD helps build a more engaged and informed citizenry, which is vital for the health of Bhutan's democracy.

The role of media in upholding good governance is supported by CSOs like the Bhutan Media Foundation (BMF) and the Journalist Association of Bhutan (JAB). These organisations promote a free, strong, and responsible media that serves as the fourth pillar of democracy. BMF focuses on capacity building for journalists, enhancing media professionalism, and supporting the development of independent and credible journalism in Bhutan. By offering training programmes, grants, and resources, BMF helps media outlets report accurately and responsibly, thereby ensuring that the public has access to reliable information.

JAB, on the other hand, represents and advocates for journalists' rights while fostering ethical journalism and capacity building of journalists. It plays a critical role in defending press freedom and encouraging investigative reporting that holds power to account. Through its initiatives, JAB strengthens the role of journalists as watchdogs, ensuring that government, corporate, and other societal institutions remain transparent and accountable to the people. A strong and responsible media ecosystem is essential for ensuring that governance remains transparent and participatory, and both BMF and JAB are focal in maintaining that balance.

The associations such as the GAB, ABTO, CAB, BTA, HAB, HRAB, FAB, and ABI contribute significantly to good governance by representing the collective interests of their members and ensuring that industry-specific policies align with national development objectives. These associations engage in policy dialogue with government agencies, advocating for regulations and standards that promote transparency, accountability, and fair

practices. For instance, they regularly provide feedback on proposed legislation and regulations, ensuring that policies are not only industry-friendly but also equitable and beneficial to the wider community. Additionally, these associations often promote ethical standards and best practices within their sectors, contributing to self-regulation and reducing the need for government intervention. By fostering collaboration between the private sector, civil society, and government, these associations play a crucial role in creating a more participatory and inclusive governance system. Their ability to mobilise and organise industry stakeholders makes them key players in advancing the principles of good governance, ensuring that the voices of various sectors are heard and reflected in decision-making processes.

CSOs also contribute to good governance by facilitating community participation in decision-making processes. By organising consultations, public forums, and community dialogues, CSOs ensure that citizens' voices are heard and considered in policy formulation. These participatory approaches are especially important in local governance, where inclusive decision-making can lead to more effective and sustainable solutions to community issues. CSOs provide training and support for local leaders and communities to enhance their capacity for self-governance, fostering a sense of ownership and responsibility in the governance process.

In addition to their advocacy and educational roles, CSOs act as bridges between citizens and the state, facilitating communication and ensuring that government policies and initiatives are responsive to the needs and aspirations of the people. They serve as platforms for dialogue where diverse perspectives can be shared, enabling more inclusive policy development. This role is particularly important in ensuring that marginalised and vulnerable groups have a voice in governance and are not left behind in the development process.

Recognition by His Majesty the Druk Gyalpo

His Majesty the King awarded the National Order of Merit (Gold) to 22 CSOs at the National Day celebration in Trongsa on 17 December 2016. The award recognised the contributions of CSOs to nation building.

'For volunteering time and effort towards promoting values, our culture and tradition, and our national humanitarian objectives; for working passionately and tirelessly for the benefit of others; for taking on the responsibility to provide support and assistance wherever the government is unable to reach, and for keeping alive the sacred values of compassion and empathy.'



The Challenges

Background to the CSO Act

The rapid growth of CSOs in the country and uncertainty regarding their status prompted the enactment of the CSO Act on 20 June 2007 during the 87th Session of the then National Assembly of Bhutan. The Act was primarily designed to promote the establishment and growth of CSOs, creating a more stable environment for civil society to engage constructively with the government to advance the public interest.

After the Act was passed, the Bhutanese people gradually overcame their reservations about CSOs and grew to appreciate their contributions to the country's wellbeing.

The Constitution of Bhutan enshrines fundamental civic rights such as freedom of speech, peaceful assembly, and association. The CSO Act defines CSOs as associations, societies, foundations, charitable trusts, not-for-profit organisations, or other entities that are not part of the Government and do not distribute any income or profits to their members.

The implementation of the CSO Act is regulated under the CSO Rules and Regulations, which were first issued in 2010 and revised in 2017. However, these rules and regulations have yet to be updated to reflect the 2022 amendments of the Act.

CSOs Call for Amendment of the Act

During the CCC strategy workshop held from 21 to 22 March 2020 in Haa, the members proposed amendments to certain provisions of the Civil Society Organisations Act of Bhutan 2007 to ease the legal and regulatory environment for CSOs. The CSOs found that many provisions were restrictive and did not facilitate their functioning.

The CCC proposed amendments to the following provisions:

A. Amend Section 9(c): Increase the number of CSO representatives on the CSO Authority from two members to three members to ensure more equitable representation and decision-making power in the CSO Authority.

B. Remove Article 60(e): This article disallowed individuals who held senior positions in government-controlled companies or organisations from serving on CSO boards unless otherwise exempted by law.

C. Amend Article 65 (Sources of Funds): Add a new section (d) to include 'income from commercial activities' as a source of funding.

D. Further Amend Article 65: Add a new section (e) to include 'administration fees for the implementation of outsourced activities' as a source of funding.

The Parliament of Bhutan also recognised the need to amend some provisions of the CSO Act, as certain CSOs were alleged to be engaged in activities beyond their mandates. CSOs are expected to remain apolitical, refrain from activities that could harm national peace and sovereignty, and advance the public interest in accordance with the principles of GNH.

More than a decade after its enactment, the National Council of Bhutan (NCB) introduced the Act as a private member's bill for amendment during the fourth sitting of the House on 2 June 2021, due to challenges in implementation and overall institutional capacity. The NCB proposed amendments with the aim of strengthening the existing regulatory framework and facilitating the formation of CSOs by developing model documents. The amendment also sought to ensure accountability, transparency, and that communities benefit from CSO activities.

After thorough discussion and debate, the House unanimously adopted the CSO (Amendment) Bill on 17 June, with 21 NCB members voting in favour of it. The NCB then forwarded the Bill, amending 34 provisions, to the National Assembly of Bhutan (NAB) for deliberation.

And the Backlash from the Amendment

Out of the 34 provisions proposed for amendment by the NCB, the NAB accepted 10 and partially amended 10 others without changing their actual meaning during its winter session. The NAB proposed 63 ad-

ditional provisions for amendment and sent the Bill back to the NCB for endorsement. While the House adopted 39 provisions amended by the NAB during the re-deliberation of the Bill on 13 December, the two Houses could not reach a consensus on 24 provisions. As a result, the CSO (Amendment) Bill became a disputed Bill. The NCB resolved to submit the Bill to His Majesty The King to seek approval for a joint sitting in the next session.

One key point of contention was the composition of the CSOA. The NCB disagreed with the NAB's proposal and opposed having the Home Minister as the chairperson of the Authority, instead recommending that the chairperson be a bureaucrat with the title of secretary. The NCB proposed a seven-member board chaired by the Home Secretary as its ex-officio chairperson, including two CSO representatives, contrary to the CSOs' proposal for three representatives. The five-member board from the 2007 CSO Act was also increased to seven members. The NAB countered with a proposal to make the Home Minister the Authority's chair, with three CSO representatives as proposed by the CSOs. This disagreement led to 24 disputed clauses, necessitating the formation of a joint committee to resolve them.

Another disputed clause was the NAB's recommendation of a new section on small-scale CSOs. The NAB proposed that a small-scale CSO would not need formal registration but would be allowed to operate legally upon obtaining written permission from the Authority.

In July 2022, the 7th session of the Third Parliament amended the original CSO Act of 2007. However, the joint sitting of Parliament endorsed a seven-member Authority chaired by the Home Minis-

ter, with representatives from the Ministry of Foreign Affairs (MoFA), Department of Law and Order (DLO), Gross National Happiness Commission (GNHC), two representatives from CSOs, and the Director of the Authority.

This reversal in decision-making has caused unrest among CSOs, which are now calling for more equitable representation to ensure fair and balanced governance. The composition of the board, with a majority from government agencies, suggests that the Authority is government-dominated, which concerns the CSOs. They also suggested that the chairperson should be elected or rotated to ensure diverse leadership perspectives.



The Endowment Fund

Bhutan is home to 53 CSOs that play a vital role in complementing government efforts and addressing societal needs. However, around 70% of these CSOs face significant challenges due to limited funding, inadequate staffing, and low salaries, which hinder their ability to build networks and effectively reach rural areas. The sector's reliance on minimal staff and difficulties in retaining employees due to poor compensation also weakens their ability to serve as a bridge between the government and underserved populations.

The recent amendment of the Civil Society Organisation Act of 2007 by Parliament in 2022 has further complicated the sustainability of CSOs by mandating the establishment of an “endowment fund.” This has caused concern among CSOs, especially those that struggle to cover even basic monthly expenses. According to Section 16 of the CSO Act 2007, the Authority is tasked with prescribing endowment fund limits for Mutual Benefit Organisations (MBOs) from time to time. Previously, the rules and regulations of 2010, revised in 2017, required MBOs to maintain an endowment fund of Nu 50,000, while Public Benefit Organisations (PBOs) had no such requirement.

However, the 2022 amendment introduced new requirements for CSOs, including PBOs, mandating the maintenance of an endowment fund. The CSOA prescribed that PBOs should maintain an endowment fund of Nu 3 million, plus an additional Nu 1 million for operational costs, totaling Nu 4 million. MBOs are now required to have Nu 1.5 million in endowment funds and Nu 1 million for operational costs, totaling Nu 2.5 million. These changes were communicated to CSOs via a notification from the CSOA on 14 September 2023, with a compliance grace period deadline of one year for registered CSOs and no grace period for new applicants (Annex 3).

While many CSOs acknowledge that the intention behind the endowment fund is to provide long-term financial stability, they argue that the prescribed amounts are unrealistic. The sudden shift from no requirement for PBOs and a minimal requirement for MBOs to millions of Ngultrum, without thorough research or consultation, has placed an immense burden on organisations already struggling to meet their operational costs. For example, the Bhutan Stroke Foundation, a newly established organisation, finds it nearly impossible to accumulate the required endowment fund in such a short period.

CSOs: Categories and Functions

Bhutan's CSOs are categorised into two types as per the CSO Act:

1. Public Benefit Organisations (PBOs):

These organisations are engaged in social welfare, providing services to vulnerable groups, advancing knowledge, supporting environmental and cultural causes, and promoting social harmony and GNH.

2. Mutual Benefit Organisations (MBOs):

These are member-based organisations that advance the shared interests of their members, often organised around specific trades such as associations of industries, tourism operators, and artists.

Currently, Bhutan has 41 PBOs and 12 MBOs registered.

CSOs argue that any available funds should be used to keep their organisations operational and services flowing, rather than being locked away in an endowment. They have suggested that the CSOA should have allowed a minimum of three to five years for CSOs to develop fundraising strategies and gradually build their endowment funds, with appropriate support from the government. Raising such significant amounts is no small feat; in Bhutan's current environment, even raising Nu 100,000 in a year is challenging, let alone millions.

By one definition, an endowment involves the state or a donor providing initial capital or seed money to invest and grow perpetually. Based on this, CSOs, as charitable and nonprofit institutions serving citizens, should be eligible for grants before such a law is en-

forced unilaterally. Proper consultation between the Government and CSOs should have been conducted to ensure that CSOs were prepared for this requirement. Unfortunately, this did not happen.

Recently, broadcast media reported that about 70% of CSOs had mobilised the required endowment fund. This sparked debate among stakeholders, who claimed this was ‘disinformation’ and demanded accountability for the misinformation. According to a CSOA report presented during the CSO Quarterly Meeting held from 25-26 March 2024, only about 34% of CSOs could afford the endowment fund.

A Source of Relief

As the debate continues, there is some relief for CSOs. The Authority decided in its meeting on 9 August 2024, to extend the deadline for meeting the endowment fund requirements. The Authority approved a proposal to stagger the fund requirements, allowing PBOs to gradually raise Nu 3 million and MBOs to accumulate Nu 1.5 million over several years.

Under the revised guidelines, PBOs now have four years to amass an endowment of Nu 3 million, while MBOs have three years to raise Nu 1.5 million. The new schedule requires PBOs to raise Nu 500,000 in the first year, Nu 600,000 in the second, Nu 700,000 in the third, and the remaining amount (Nu 1.2 million) in the fourth. MBOs must secure Nu 500,000 in the first year, Nu 600,000 in the second, and the final Nu 400,000 in the third year.

This extension provides much-needed breathing space for many CSOs that were struggling to meet the initial, more ambitious targets.

Operation of Funds

In November 2021, while reviewing the CSO (Amendment) Bill, the National Assembly’s Human Rights and Foreign Relations Committee expressed concerns about the activities and financial operations of CSOs in Bhutan. The review meeting highlighted the need for strict provisions to prevent CSOs from deviating from their principles and purposes.

The committee also noted allegations of a lack of transparency in the financial matters of CSOs. Citing annual audit reports, it was highlighted that irregularities amounting to millions were discovered within some CSOs.

There were perceptions that some CSOs were being formed as “family businesses.” Parliamentarians expressed concerns about the prevalence of establishments that appeared to operate as businesses under the guise of CSOs. They emphasised that CSOs should not be “self-serving” and must stay true to their principles and causes. Concerns were also raised about the poten-

tial for CSOs to become “family affairs.”

The CSO sector has not benefited from a policy environment that allows it to grow, mature, and flourish; it remains stunted in its infancy. The sector struggles with its small size, limited access to resources due to stringent regulations, and the almost non-existent presence of International Non-Government Organisations (INGOs) that specialise in raising and channelling funds. For the limited funds available in Bhutan, both the government and CSOs compete with each other.

What is crucial is governance. If the governance of CSOs is strong and if there is independent auditing, any organisation, whether family-run or not, can be effective in its mission. Most CSOs are born out of personal struggles and passion.

Some CSOs argue, “If grants and donations to individual CSOs benefit communities, generate employment for CSO workers, and if these people, family or not, pay their taxes and maintain transparency in their work and reports, what is the issue? Family-run CSOs need to be defined. Does it mean family members benefit without any professional or monetary contribution to the organisation? Which CSOs are considered as such needs to be clearly identified. As long as individuals work for the CSO, and if the CSOs maintain transparency, undergo independent audits, and apply service rules equally to all employees, how does having a family member on the team make it unethical? Are we mistaking CSOs for bureaucracy? Are we looking at CSOs through a civil service lens?”

CSOs enjoy greater public trust despite lawmakers using buzzwords like “briefcase CSOs” and “family-run organisations.” According to the Helvetas Bhutan research report; Public Perception of Civil Society Contributions to Local and National Development in Bhutan, 2020, annual audit reports, as well as National Corruption Barometer Surveys, CSOs are reported to be among the least corrupt public organisations.

CSOs are legally permitted to raise funds or receive charity or donations from individuals in the form of cash, movable or immovable property, in accordance with the provisions of the Act. All CSOs are also annually audited by the Royal Audit Authority of Bhutan in accordance with the Audit Act of Bhutan.



Closure of Bhutan Civil Society Network

Leaderships change in CSO Authority and its secretariat

With the amendment of the CSO Act 2007 in 2022, the Minister for Home and Cultural Affairs became the ex-officio Chairperson of the Authority. Coincidentally, the Member Secretary of the Secretariat was also changed around the same time. With the new Authority comprising five members from the government and two from the CSOs, the following requirements eroded the trust between the Authority and CSOs:

- *The Secretariat required the BCSN to seek approval to hold its Annual CSO Meet for the first time in December 2022.*
- *The Secretariat also required every CSO to submit 'approval applications' for any programme/activity to be implemented in the Local Governments to them for approval with 'Program Overview, Implementation Plan, Total Fund, and Monitoring and Implementation Plan' (Annex 1).*
- *The Secretariat also required CSOs to submit reports about all their inter-CSOs meetings to the Secretariat (Annex 2).*

Increase in the network's visibility

The leadership of the BCSN changed from January 2022. It instituted an EC composed of experienced members with diverse expertise. By October 2022, the BCSN had gained high visibility within the country as well as beyond. Various diplomats, especially those from the European countries, the EU Parliament, and representatives from development partners, began to hold meetings with the Chairperson and the EC. The CSO Authority did not view this favourably.

In the meanwhile, given the increase in the workload of the Secretariat, the EC decided to establish a permanent office. Accordingly, the network established the office on 14 October 2022 in the RSPN building. Since the network had no designated budget to pay the rent, the EC requested RSPN to waive off the rental payment for a minimum of six months, which RSPN considered.



The Chairperson of the EC made a brief presentation on BCSN and justified why the legality of BCSN should not be an issue since it was an association formed by registered CSOs in the country. The CSOA Secretariat made a presentation justifying why they believed the BCSN was illegal.

A probe into BCSN's mandates and operations by the CSO Authority

On 24 October 2022, the CSOA Secretariat asked the EC for the following information on BCSN:

- *Aims and mandates*
- *Governing Frameworks and Guidelines*
- *Resources (financial and employees)*
- *Strategic goals and objectives (including initiatives and programmes).*

The EC promptly submitted all the information. Following that, the CSO Authority alleged that the BCSN was duplicating the Authority's mandate, especially that of the 'facilitation mandate'. The Authority then expressed concerns over the legality of the BCSN.

Increase in the network's budget:

The network started receiving modest financial support from Helvetas Bhutan since 2017. The Authority was well-informed about it since then. Later, when Project Nyamdrel was initiated by the International IDEA to support Parliament and CSOs, the Member Secretary of the CSOA Secretariat was included as a member of the Project Steering Committee (PSC).

On the EC's request, the Helvetas Bhutan/International IDEA increased the financial support to BCSN from Nu 1.5 million in 2022 to Nu 2.5 million in 2023. This budget was approved by the Project Nyamdrel's PSC. Later, the Authority said that, as an unregistered network, the BCSN was not permitted to mobilise funds.

Dissolution of BCSN

By July 2023, the CSO Authority resolved that the BCSN was illegal. On 7 August 2023, a meeting was held between the Authority and the EC in the Authority office. The meeting was chaired by the Chairperson of the Authority, Lyonpo Ugyen Dorji. No other Authority members, besides the two Eminent Members, attended the meeting. The Chairperson of the EC made a brief presentation on BCSN and justified why the legality of BCSN should not be an issue since it was an association formed by registered CSOs in the country. The CSOA Secretariat made a presentation justifying why they believed the BCSN was illegal.

The members of the EC submitted that, since the Authority felt that the BCSN duplicated the mandates of the Authority, the network was most willing to restructure itself and change the way in which it functioned. But the Authority was not convinced.

Then, the EC requested the Authority that the network be given until the end of December 2023 to dissolve after completing its planned activities, which were funded by Helvetas. The EC submitted that, since the European Union was one of Bhutan's oldest and the second largest development partners, immediate

dissolution of the network might not be viewed favourably. The Authority was, however, insistent that the network must be closed down immediately to avoid legal actions. On 1 September 2023, the network was served a notice (Annex 4) by the Authority to 'cease the establishment and operation of Bhutan Civil Society Network (BCSN) with immediate effect.'



Holding Ourselves Accountable

For the CSOs, by the CSOs: Bhutan CSO Accountability Standards 2023

CSOs in Bhutan have long been regarded as the least corrupt entities in the country, earning the public's trust through their transparent operations and ethical practices. To further strengthen this reputation and ensure sustained accountability, CSOs introduced the Bhutan CSO Accountability Standards (BCAS) 2023. The BCAS serves as a comprehensive framework aimed at enhancing internal governance mechanisms, promoting transparency, and reinforcing the integrity of CSOs. This chapter delves into the principles and practices laid out in the BCAS, highlighting how it supports CSOs in maintaining high ethical standards, fostering trust, and ensuring that their work continues to align with Bhutan's development goals and the expectations of the communities they serve. Through these standards, Bhutanese CSOs are committed to upholding their role as key contributors to the nation's development while exemplifying values of good governance and accountability.

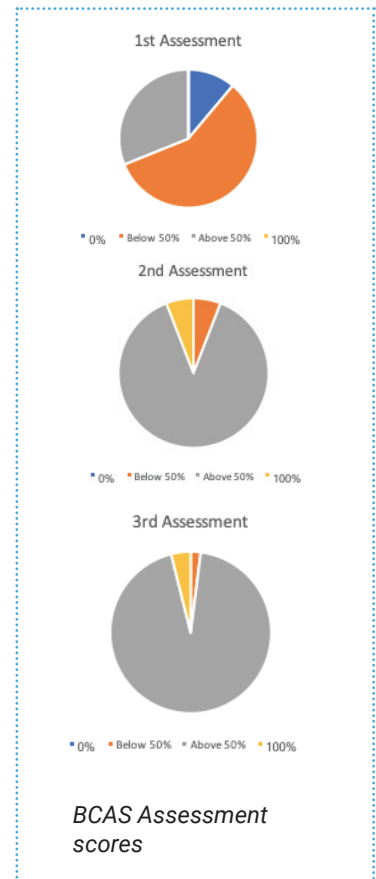
CSOs faced several backlashes from the policy makers, legislators, and the media alike in 2020 and 2021. This was due mainly to poor awareness about civil society as well as poor capacity of some CSOs. This posed a major risk of developing mistrust against the civil society in the country. Besides, since CSOs are public service providers, they must practise and promote high standards of accountability, ethics and management to gain the trust and confidence of the service receivers (mostly citizens), the government, and the development partners alike. Therefore, the BTI took the initiative to assess as well as strengthen the

internal governance mechanisms of all the CSOs in the country in collaboration with the Anti-Corruption Commission (ACC) of Bhutan and the CSO Authority.

Thus, in light of this, firstly a study was conducted to assess the internal governance mechanisms of CSOs in Bhutan. The results of the study were shared with the representatives of 48 (out of a total of 54) CSOs through a consultative workshop titled “Vibrant CSOs for Vibrant Democracy- Consultative Workshop for Strengthening Accountability Mechanisms for CSOs in Bhutan”. The workshop adopted a minimum set of accountability standards (Annex 5) for the CSOs in Bhutan by conflating the most essential provisions of the ACC's Organisational Integrity Plan (OIP), Accountable Now's CSO Dynamic Accountability, and CSO Act 2007 and CSO Rules and Regulations. Subsequently, the set of standards was developed into the Bhutan CSO Accountability Standards 2023 (BCAS 2023). Further, CSOs unanimously confirmed their acceptance to institutionalise BCAS within their respective organisations on a phase-wise manner with technical support from the CSOA and the ACC.

The standard was published into a booklet and widely circulated among the CSOs through the CSOA. CSOs were also trained on the provisions of BCAS 2023 and on how to implement it. In 2023, the CSOA assessed (and rated) all CSOs on the implementation of BCAS 2023 twice: first as a mock to further train CSOs in the implementation and then to assess the implementation.

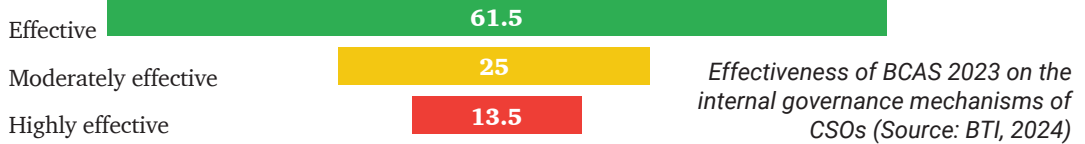
According to the report, Impacts of Implementation of BCAS, 2023 published by BTI, around 62% of the respondents believed BCAS 2023 to be effective in improving



their internal governance mechanisms. Additionally, 25% found it to be moderately effective, suggesting that while the implementation had a positive impact, there is still room for improvement. Furthermore, 13.5% found the standard to be highly effective, indicating that a smaller group experienced significant enhancements in their organisation's governance mechanisms. Overall, these responses highlight a generally positive impact of BCAS 2023 on the internal governance mechanisms of CSOs.

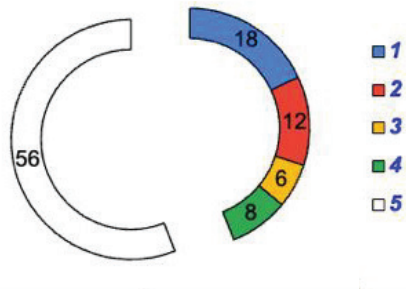


Effectiveness of BCAS



NAME OF CSO:

Wheel of Accountability



Indicator code	Standards/ Indicators	Means of Verification (MoVs)	Self/CSO Assessment	Authority Assessment Score	Physical verification	Indicator Score	Indicator %
5.1.1	Conflict of Interest	Inadequate	2	1	1	9	64
5.1.2	Procurement Rules/Procedure Policy	Inadequate	2	1	2		
5.1.3	Human Resource Management	Inadequate	2	1	1		
5.1.4	Annual Audits	Submitted	2	2	2		
5.1.5	Asset Declaration Rules	Inadequate	2	1	1		
5.1.6	The Gift Rules	Submitted	2	2	2		
5.1.7	Model Public Service Code of Conduct	Inadequate	2	1	1		
5.2.1	Governing Body	Inadequate	2	1	1	6	38
5.2.2	Nomination of Trustees	Not Submitted	2	0	0		
5.2.3	Tax Clearance Certificate by Trustees	Not Submitted	2	0	1		
5.2.4	Board Meetings	Inadequate	2	1	2		
5.2.5	Recruitment of Head of the CSO (ED)	Inadequate	2	1	1		
5.2.6	Tenure of Head of Organization (ED)	Not Submitted	2	0	2		
5.2.7	Remuneration/Benefits of the ED	Inadequate	2	1	2		
5.2.8	Integrity Focal Person	Submitted	2	2	2		
5.3.1	Participation in Decision-Making process	Inadequate	2	1	1	3	50
5.3.2	Records of the progress of Expenditure	Submitted	2	2	2		
5.3.3	Procurement Rules and Procedure	Not Submitted	2	0	2	4	29
5.4.1	Service Rules	Inadequate	2	1	2		
5.4.2	Performance Evaluation	Not Submitted	0	0	1		
5.4.3	Labour Rights	Inadequate	2	1	2		
5.4.4	Service Delivery Standards for Payments	Not Submitted	2	0	2		
5.4.5	Records of Properties	Submitted	2	2	2		
5.4.6	Integrity Focal Person (SoP)	Not Submitted	1	0	2		
5.4.7	Other integrity Measures	Not Submitted	1	0	2		
Overall Rank		Total	46	22	39		44
			92				
		Ratings			SCORE		
Standard Category		50		100	After Physical Assessment		
Standard 1: Open Organization		9		18	78		
Standard 2: Responsive Leadership		6		12			
Standard 3: Responsive Decision-Making		3		6			
Standard 4: Well-Handled Resources		4		8			
Not/Non Compliance		28		56			

Sample of BCAS implementation assessment sheet

The Opportunity

Rebuilding Coordination and Fostering a Conducive Environment

The abrupt dissolution of the BCSN left CSOs without a clear governance structure, creating confusion and challenges in coordination. However, this period of uncertainty also became an opportunity for rebuilding and strengthening the CSO landscape. With two elected CSO representatives entrusted with the mandate to coordinate CSO affairs and reconstitute thematic groups, the sector began to reestablish its network structure.

Continuation of CSO Quarterly Meetings

Under this new arrangement, the two representatives work closely with CSOs from the “Good Governance, Media, and Democracy” thematic group to organise quarterly meetings. Notably, the CSOA Secretariat has allocated a part of the budget to support these meetings, signalling its renewed commitment to creating an enabling environment for CSOs. In March 2024, the first coordinated meeting among CSOs took place after the dissolution of the BCSN. This platform provided an avenue for CSOs to voice pressing concerns such as the urgent need to get draft Government-CSO Collaboration Guidelines endorsed by the Government and address the challenges of Endowment Fund and Operation Fund requirements imposed by the Authority.

During the meeting, CSOs deliberated on the difficulties faced in raising the mandatory Nu 3 million endowment and Nu 1 million operation fund within the one-year grace period, a deadline set to expire in September 2024. Given that only about 34% of CSOs had the capacity to meet this requirement, an appeal was proposed to either reduce the endowment amount or extend the timeline. The collective recommendations were compiled into the following appeals:

- Allow CSOs to build their endowment funds gradually by contributing Nu 500,000 annually until the minimum requirement is met. This approach addresses both the size and timeline challenges, enabling CSOs to develop sustainable financial reserves.
- Extend the grace period to five years, allowing CSOs sufficient time to manage their financial planning and compliance without compromising



their core activities. Additionally, reduce the endowment requirement to Nu 1.5 million for PBOs and Nu 1 million for MBOs, making the targets more achievable while still providing a financial safety net.

- Permit CSOs to account for both physical and financial assets towards their endowment funds. Furthermore, the government could consider offering matching funds or seed funding to support CSOs that require assistance in establishing their endowment funds.
- Propose the removal of the operational fund requirement, as it is neither specified in the Act nor the rules. The primary purpose of the endowment fund should be to ensure sustainable operational costs.

Amendment of Endowment Fund and Operation Fund Requirement

The recent changes in the CSOA's membership, particularly with the chairmanship of the new Home Minister, have reinvigorated efforts to create a more supportive environment for CSOs. In just six months,



Continuation of CSO QM, 2024

two Authority meetings were held, leading to significant resolutions. The Authority agreed to extend the timeline for raising the endowment fund, now giving PBOs four years to accumulate Nu 3 million and MBOs three years to raise Nu 1.5 million. The phased schedule allows PBOs to raise Nu 500,000 in the first year, Nu 600,000 in the second, Nu 700,000 in the third, and the remaining Nu 1.2 million in the fourth year. Similarly, MBOs must raise Nu 500,000 in the first year, Nu 600,000 in the second, and the remaining Nu 400,000 in the third year. Additionally, the need for a separate operational fund of Nu 1 million has been eliminated.

Approval of Government-CSO Collaboration Guidelines

Another significant submission to the Authority was the need for the endorsement of CSO-Government collaboration guidelines, which would enable CSOs to partner with government agencies in implementing development initiatives where CSOs have a competitive advantage. The draft guidelines prepared by CSOs were submitted to the Authority, which approved the document and directed the CSOA Secretariat to submit it to the Cabinet for endorsement.

Formation of CCG

To further strengthen coordination, the formation of the CSO Coordination Group (CCG) is being introduced as a replacement for the former Executive Committee (EC) of the BCSN. The CCG will consist of eight members elected from the thematic groups, alongside the two CSO representatives. This structure aims to ensure that the coordination and governance functions continue effectively while addressing the network's evolving needs.

Despite these positive developments, the absence of a dedicated network secretariat remains a significant challenge. While the CCG members have been coordinating efforts, they are also burdened with managing their own organisations. This dual responsibility makes it difficult to provide consistent attention to network-wide coordination and the implementation of CSO affairs. Establishing a dedicated network secretariat with full-time staff is crucial for maintaining momentum, supporting the CCG members, and ensuring the effectiveness of CSO collaborations and initiatives in the long run. A well-resourced secretariat would greatly enhance the capacity of CSOs to work together cohesively and address the nation's development priorities more effectively.



Under this new arrangement, the two representatives work closely with CSOs from the “Good Governance, Media, and Democracy” thematic group to organise quarterly meetings.

Enhanced Parliament-CSO Engagement

The engagements between the Parliament and the CSOs have been increasing over the years. CSOs are often consulted by different Parliamentary Committees to get inputs on policy and legislative reviews and/or formulations. Such engagements provide the much-needed opportunities to the CSOs to share their concerns and experiences with the members of the Parliament to effect informed decision making. For instance, the Good Governance Committee of the National Council of Bhutan consulted the BTI while amending the Anti-Corruption Commission Act of Bhutan 2011 in 2021. The Social and Cultural Committee of the National Council of Bhutan consulted the ABS, Draktsho, DPOB, PPSG and BSF while reviewing the State of Persons with Disabilities in 2024.

To facilitate the implementation of the “Parliament and Civil Society Organisations – A Strategy Document” launched on 4 May 2023, BTI in collaboration with the Parliament of Bhutan drafted the Standard Operating Procedure (SOP) for the strategy,

which will soon be published and implemented by the Parliament and CSOs. Furthermore, since March 2024, the Parliament’s engagement with the CSOs increased drastically. Members from the two Houses of the Parliament as well as the staff of the Secretariats of the two Houses continue to attend various workshops/conferences, awareness programmes and training programmes organised by CSOs.

Enhanced Funding for CSOs

Development partners such as the European Union, European Commission, various UN Agencies, Helvetas Bhutan, Save the Children Bhutan, The Canadian Fund for Local Initiatives (CFLI), The Asia Foundation (TAF), South Asia Foundation, Global Fund for HIV, Malaria and Tuberculosis, World Bank, and so on have been funding CSOs in Bhutan for a long time. Since Bhutan graduated from the Least Developed Countries (LDC) status to the Middle-Income Countries (MIC) status, development partners like the EU drastically increased their support to the CSOs. For instance, the EU granted five major three-year projects worth around Nu 3.8 billion in 2024.

Enhancement of Government-CSO Collaboration in the 13th FYP

Given the proven efficiency of the private sector and CSOs in delivering certain services, the 13th Five Year Plan anticipates a reduced role for the Government. Instead, the Government will focus on setting standards and creating an enabling environment to facilitate greater participation by the private sector and CSOs in achieving national goals and key performance indicators (RGOB, 2024).

CSOs are entrusted with a mandate to contribute to Bhutan’s short- and long-term goals, particularly in fostering a healthy, prosperous, and secure nation. Good governance is highlighted in the 13th Plan as the cornerstone of Bhutan’s sustainable and inclusive development strategy. The nation’s aspiration to become a high-income GNH economy relies heavily on effective governance, which is critical across all dimensions of GNH.

Bhutan has made substantial progress in enhancing institutions for inclusive and democratic governance, ensuring access to justice, improving public service delivery, and promoting accountability and citizen engagement. One of the core objectives within the governance cluster is to reduce operational costs by improving the efficiency and effectiveness of public service delivery. This will involve leveraging technology and fostering meaningful partnerships with the private sector, CSOs, and other key stakeholders.

The Transformational Governance Programme and the Digital Transformation Programme will

Gradual Growth of Endowment Fund					
	Year I	Year II	Year III	Year IV	Total (Nu)
PBO	500,000	600,000	700,000	1,200,000	3,000,000
MBO	500,000	600,000	400,000		1,500,000

Gradual growth of endowment fund over years

collectively drive the successful implementation of the 13th FYP across all clusters. Emphasis is placed on involving local governments (LGs) and CSOs to achieve better results and efficiency in programme implementation, as well as on supporting the media's role in enhancing public voice and accountability. To achieve these objectives, the 13th FYP includes a focus on engaging CSOs in the effective and efficient implementation of relevant programmes and activities. It also seeks to strengthen the media's role in holding the government accountable and amplifying citizens' voices. These efforts will ensure that the 13th FYP deliverables, along with other regular public services, are pursued with renewed urgency and commitment.

During the plan period, there is an opportunity for the Government to revisit and amend the CSO Act 2022. The 13th Plan emphasises deregulation, harmonisation, and the strategic implementation of policies, alongside improvements in business service delivery. To enhance coordination, implementation, and results, existing public policies will be revisited, harmonised, and simplified as necessary. This will be supported by adopting an integrated, whole-of-government approach to policy-making, and a results-based approach to development planning, implementation, and monitoring.

Leveraging the strengths of all relevant stakeholders, including LGs and CSOs, will be crucial for achieving better results and efficiency. To ensure greater impact and accountability from Parliament, the enabling environment for CSOs, media, and citizens to participate effectively in Bhutan's transformation processes will be enhanced. Citizen engagement remains central to Bhutan's democratic processes, and CSOs and the media play important roles by raising awareness on emerging issues, engaging in community outreach, mobilising resources, and contributing expertise across various fields.

Political Will of the Government to Engage CSOs

The People's Democratic Party's (PDP) manifesto recognises the key role CSOs play and commits to promoting a conducive policy and legislative environment for them to fulfill their roles in society. This includes identifying clusters of CSOs focused on

specific thematic areas and facilitating collaborative partnerships with relevant ministries and government agencies to jointly implement key development initiatives.

The PDP also pledges to provide training and capacity-building programmes to enhance CSO members' skills in project management, fundraising, advocacy, and governance, and to support CSOs in diversifying their funding sources through grants, donations, and partnerships with government agencies, the private sector, and international donors.

Collaboration between individual CSOs and Government Agencies

- **BTI with ACC:** BTI works in close collaboration with the ACC in promoting transparency, accountability and promotion at all levels of governance in the country. For instance, BTI conducts the National Corruption Barometer Survey (NCBS) independently every three years with technical and financial support from the ACC. Through a Memorandum of Understanding (MoU) between the two organisations, BTI also receives complaints against corruption from those who believe themselves to be the victims of corruption and/or have witnessed corruption. Further, the two organisations also produce training materials and provide training and conduct awareness programs to combat corruption jointly.

BTI also works in close collaboration with the Office of the Attorney General (OAG), Royal Audit Authority (RAA), Department of Local Governance and Disaster Management (DLGDM) of the Ministry of Home Affairs (MoHA), Royal Court of Justice, Bhutan National Legal Institute (BNLI), Bar Council of Bhutan and Local Governments (Dzongkhags, Gewogs and Thromdes).

- **BMF and JAB signed an MoU** with the Department of Media, Creative Industry, and Intellectual Property (DoMCIIP) under the Ministry of Industry, Commerce and Employment in August 2024. Under the MoU, the two CSOs will undertake media development activities, such as training media professionals, facilitating dialogues, organising journalism awards and conferences, and

infrastructure development for the Thimphu Press Club. The support from DoMCIIP comes from both the Royal Government's Economic Stimulus Programme and the 13th Five-year Plan.

- OYE collaborates with the Ministry of Education and Skills Development (MoESD) and the Royal University of Bhutan (RUB) to conduct advocacy programs in schools and colleges across Bhutan. These programs aim to inform and empower future leaders by educating high school students on essential 21st-century skills, promoting self-employment through entrepreneurship, and providing information on free scholarship opportunities in SAARC countries. In 2023, OYE impacted over 4,000 students and teachers by visiting 10 higher secondary schools and continues to recruit students for SAF scholarships to pursue higher studies in various fields.

- Tarayana
- BYDF
- RENEW
- Lhak-Sam and MoH

Collaborations Among CSOs

Bhutan Toilet Organisation (BTO) collaborated with ABS and RSSC on the 'Toilet of Compassion' project, aiming to raise Nu 3.6 million to provide bedside toilets to every hospital in Bhutan. This initiative was designed to ensure that patients with limited mobility have easy access to sanitation. The project extended



CSOs are increasingly coming together to execute common projects together in a “bigger and better way” while avoiding duplication and spreading the available pie too thinly.

beyond hospitals, supplying bedside toilets to various CSOs like DPOB, PPSG, BCS, BKF, Draktsho, and BSF. These organisations distributed the toilets to beneficiaries who could not afford them, reflecting a spirit of solidarity and shared responsibility among CSOs to enhance the dignity and well-being of the vulnerable.

In a strategic collaboration, BTO outsourced its WASH Reporting Training for journalists to the BMF. BMF, with its extensive experience and well-designed training programmes, is better positioned to deliver this specialised training. This partnership leverages



CCG members, 2024



ABS, DPO, BSF, and PPSG's consultation meeting with the Social and Culture Committee, NCB

BMF's expertise to enhance the quality of media coverage on WASH issues, ensuring more informed public discourse and advocacy on these critical topics.

BTO also partnered with the BTI to leverage its extensive expertise in social accountability training. BTI, known for its comprehensive and well-designed courses, facilitated sessions for youth groups and women leaders from informal communities in Thimphu. This collaboration aimed to equip these groups with the skills and knowledge needed to effectively raise their WASH issues and engage as active partners in finding solutions. By drawing on BTI's established proficiency in social accountability, the training provided valuable insights and practical tools to empower participants in advocating for their rights and improving their communities.

Supported by Helvetas Bhutan and International IDEA, BMF conducted a two-day workshop on 'Strengthening Understanding and Collaboration between the Media and CSOs'. The workshop aimed to bring CSO and the media closer by fostering understanding between them. The workshop identified the needs for improved collaboration, effective communication, and a positive public image for CSOs. The objectives were

tailored to meet the needs of the stakeholders by enhancing their capacities and building networks.

Collaboration and coordination among CSOs in executing projects

Recognising the need to enhance coordination and collaboration among the CSOs executing similar projects, CSOs are increasingly coming together to execute common projects together in a "bigger and better way" while avoiding duplication and spreading the available pie too thinly. For instance, the grantees of the five EU projects worth around Nu 3.8 billion formed a Project Coordination Working Group (PCWG) that meets periodically and reviews each project's progress and plans collaborative activities. Thus, BCMD, BMF, BTI, HAB and its partner CSOs, RENEW as well as INGOs like DW Academia, Helvetas Bhutan, International IDEA, and Save the Children Bhutan execute a number of projects together. Further, they also provide funding support to other CSOs as well as to the CSOA and CSO fraternity for carrying out activities like holding period CSO meetings.





Launch of Parliament-CSO
CSOs- A Strategy Documents



Recommendations

i. There must be platforms created and sustained for:

(a) Institutionalised platforms for CSOs to come together periodically: Past experiences with platforms such as CSO Quarterly Meetings, CSO Annual Conference, Ad hoc CSO Meets and so on for CSOs to come together show improved networking among CSOs and therefore, enhanced coordination, collaboration, and cooperation. Therefore, such platforms should be made formally available to the fraternity to build networks, share experiences and discuss issues of wider interests, and formulate ways forward.

(b) CSOs-Authority Meet: There needs to be a platform for the Authority and the CSOs to come together to build stronger network, share information, and dialogue on issues of mutual concern periodically. Thus, it is recommended that at least an annual CSOA-CSOs Conference be instituted.

(c) Reinstitute the Government-CSO Meet: The last Government-CSO Meet was conducted in mid-2021. The meet was an excellent platform for the Government to create awareness on its policies, plans, and programmes to the CSOs and for the CSOs to dialogue with the Government on issues of wider concern from the CSO fraternity and their constituencies; and,

(d) Establish Parliament-CSO Meet: There is already a Parliament-CSO Collaboration Strategy and SOP to enhance the collaboration between the two institutions. The collaboration has been improving drastically lately. Therefore, there is an urgent need to institute Annual Parliament-CSO Meets for CSOs to be able to submit their concerns to the Parliament and deliberate on them at least once a year.

ii. The CSO fraternity should produce an annual civil society report every year:

The first publication by the then BCSN, “The State of the Third Sector” published in December 2022 was well received by the public as well as the Development Partners and the international communities since it provided the true status of the civil society in the country. The present report will serve as a reference on civil society development in Bhutan for all times to come. From the following year, the fraternity should produce an annual report on the civil society in Bhutan to keep the nation well informed about the civil society sector.

iii. Develop a governance strategy for the CSO Coordination Group (CCG), with a focus on facilitating regular CSO affairs: Drawing from the successful practices of the BCSN, the CCG

should establish a secretariat, hosted by member organisations on a rotational basis. Additionally, the full-time Program Officer (PO) role, which has been a consistent presence since the days of the CCC through to the BCSN, should be reinstated to support the CCG in managing CSO affairs on a daily basis.

iv. CSOs should explore more ways for collaboration among themselves: Experiences from some CSOs who have implemented joint projects and continue to do so have yielded “better and bigger” results together with their limited resources. CSOs must leverage one another’s strengths thus.

v. CSOs should explore more ways for collaboration with the government: While the Government-CSO collaboration Guidelines will define areas for collaboration between the government and CSOs, individual CSOs should explore ways to work with government agencies whose mandates align with theirs.

vi. CSOs should continue to formulate and reformulate a common narrative that binds them together as a fraternity: There have been training and workshops on developing and promoting a common narrative recently. Such initiatives should be periodic to capture new developments in the CSO sector. Otherwise, CSOs will remain a diverse sector with disparate entities.

vii. CSOs should build on the country’s first assessment on “Alternative funding models for CSOs” carried out by Helvetas Bhutan and BME, particularly social entrepreneurship and corporate social responsibility (CSR): They should try to create a culture of CSR giving among public and private companies, and propose to the government and/or Druk Holding and Investments that a CSR fund be created for CSOs.

viii. Amend CSO Act: The 13th FYP presents an opportunity for the government to revisit and amend the CSO Act of 2022, promoting deregulation, harmonisation, and strategic policy implementation. Therefore, the Parliament, as proposed by CSOs, could revisit and amend the composition of the CSOA board to ensure equitable representation and balanced governance. The board should include at least three representatives, with the chairperson being either elected or rotated to promote diverse leadership perspectives.

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Annexure

Annex 1: Letter from CSOA Secretariat ; Submission of Program Approval for Implementation in Local Governments



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CIVIL SOCIETY ORGANIZATIONS AUTHORITY
THIMPHU BHUTAN



CSOA/ORG/08-2023-2024/ ༧༣༩

Dated: 07/07/2023

The Head of the CSOs

Subject: Submission of Program Approval for Implementation in Local Governments.

The Authority appreciates the significant contributions CSOs has made towards addressing the critical social issues and bringing positive impact. As a valued partner in Government's mission in serving in the local communities, the Authority would like to request your kind attention to an important matter regarding the implementation of your programs.


In accordance with the directives from the Ministerial Coordination Meeting (MCM), Ministry of Home Affairs, held on 5th June 2023, to ensure transparency, accountability and effective coordination efforts, it is essential for us to have a clear understanding of the programs (including the advocacies) that CSOs' plan to implement at the Local Governments (LG). As such, we request all the registered CSOs to kindly submit approval application for implementation of your program's hereafter. To facilitate the course, the Authority assures speedy review & approval with letter of commendation addressed to the LG Administrations. Further, the Authority will submit the CSOs' engagements in the LGs to Department of Local Governance & Disaster Management for their information and necessary support if required.

To submit your program approval, kindly provide us with the following information:

1. Program Overview
2. Implementation Plan
3. Total Fund
4. Monitoring & Evaluation Strategy

We appreciate your understanding and cooperation in this matter. By working together, we can enhance the effectiveness and sustainability of our shared mission to create lasting change in our communities. As usual, we look forward to reviewing your program approval and continuing our fruitful partnership, relation and for stern compliance.

Thank you for your unwavering dedication to the betterment of society.


Member Secretary
Civil Society Organizations Authority
For kind perusal of:

1. His Excellency the Home Minister
2. Hon'ble Home Secretary
3. Director, DLG&DM, MoHA



P.O Box 317, PABX: +975-2-324954, Website: www.csoa.gov.bt Email: admin@csoa.gov.bt



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CIVIL SOCIETY ORGANIZATIONS AUTHORITY
THIMPHU BHUTAN



CSOA/ORG/08-2022-2023/ ༡༥

Dated: 15/06/2023

The Executive Directors
Registered CSOs

Copy to:

1. Hon'ble Chairperson, CSO Authority, His Excellency the Home Minister

Subject: Invitation to share information on inter-CSOs Meetings

I hope this letter finds you all in good health and high spirits. As a fellow advocate for positive change in our society and as your Member Secretary to the CSO Authority, I am writing to extend an invitation to you and your organization to actively participate in a collaborative effort to share information on conduct of inter-CSOs Meetings.

Recognizing the immense value in fostering open lines of communication and knowledge exchange within the CSOs, we believe that facilitating the sharing of information related to inter-CSOs meeting can enhance our collective impact and effectiveness. By staying informed about such meetings we can create opportunities for networking, collaboration and learning, ultimately strengthening our efforts to address diverse challenges faced by our communities. I firmly believe that coming together we can strengthen our collective knowledge, enhance our collaboration opportunities and escalate the overall impact in the society.

To kick-start this initiative, I request your continued support by sharing information about any upcoming inter-CSOs meeting organized by your esteemed organization. I urge you to share schedule, agenda and any other pertinent information that would be beneficial for us to stay abreast.

I sincerely hope that our CSOs will embrace this opportunity to collaborate and contribute to shared goals. Together we can develop and improve a network of trust, support, knowledge and expertise that will immensely benefit all our registered CSOs and the communities we serve.

Thank you for your kind attention to this matter and as usual we eagerly anticipate for your positive response.

Sincerely,


Member Secretary
Civil Society Organizations Authority





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CIVIL SOCIETY ORGANIZATIONS AUTHORITY
THIMPHU BHUTAN



CSOA/ORG/08-2023-2024/ ༥༩༩

Dated: 14/09/2023

NOTIFICATION

The Civil Society Organizations Authority in its successive meetings (37th & 38th), deliberated and judiciously endorsed the minimum Endowment Fund requirement for all the registered Civil Society Organizations. The decision is in line with Section 16 of the Civil Society Organization Act (Amendment) 2022, which states that; "The Authority shall prescribe endowment fund for the CSOs time to time".

Similarly, the decision is as part of the Authority's commitment to enhance CSOs' sustainability to ensure and strengthen a stable financial foundation to carry out the initiatives effectively.

The minimum endowment fund for CSOs has been set at **Nu. 3.00 million (Ngultrum Three million) for the Public Benefit Organizations (PBOs) and Nu. 1.5 million (Ngultrum One Million and Fifty Hundred Thousand) for Mutual Benefit Organizations (MBOs).**

In addition, to the endowment fund aforementioned, secured in the account of the CSOs in registered financial institutions in the country, CSOs are also mandated to submit an operational fund reserve of **Nu. 1 million (Ngultrum One Million) for PBOs and Nu. 0.50 million (Ngultrum Five Hundred Thousand) for MBOs** to meet the recurrent expenses. The availability of the funds shall be substantiated by bank statements and will be one of the criteria for the renewal of CSO Registration Certificate.

The Authority, considering necessary adjustments in the registered/existing CSOs' financial plannings and operations, decided to graciously grant grace period of one year to mobilize and secure the requirements. However, there shall be no grace period for the aspiring/ new CSOs applicants.

The Authority deeply appreciates CSOs' unwavering dedication & commitment for the betterment of the society and we look forward to your continued cooperation in implementing this regulatory transformation.


(Member Secretary)
Civil Society Organizations Authority
Copy to:

- ❖ Hon'ble Chairperson, H.E the Home Minister for kind perusal please
- ❖ Hon'ble Authority Members for kind information please
- ❖ Compliance & Inquiry Unit for necessary action
- ❖ Registration & Coordination Unit for necessary action





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CIVIL SOCIETY ORGANIZATIONS AUTHORITY
THIMPHU BHUTAN



CSOA/ORG/08-2023-2024/༡༡༧

Dated: 01/09/2023

The Chairperson
Bhutan Civil Society Network

Dear Dr. Rinzin

Subject: Cessation of Bhutan Civil Society Network's operations

The office of the Civil Society Organizations Authority would like to convey the directives of the 38th Authority Meeting, held on 18th August 2023 to cease the establishment and operations of Bhutan Civil Society Network (BCSN) with immediate effect.

The deliberation in length looked at the matters with regard to the BCSN's statutory status and its conflict of mandates with the Authority and came to consensus to cease BCSN's operations to avoid legal repercussions and misperceptions in the general public.

To facilitate smooth transition, the meeting also directed Authority's Secretariat to takeover pending viable activities of the BCSN in coordination with the CSOs' Eminent Members.

Looking forward to your kind and continued support for virtuous efforts in creating a dynamic sector harmonious with regulatory frameworks enforced.

Best regards.


Member Secretary
Civil Society Organizations Authority



Copy to:

1. Hon'ble Chairperson, HE The Home Minister for kind perusal
2. Hon'ble Authority Members for kind information
3. Registration & Coordination Unit, CSOA for necessary coordination
4. Compliance & Inquiry Unit, CSOA for necessary follow ups.

Annex 5: Four broad accountability standards and corresponding indicators.

Accountability Standard	Indicators
Open organisation	<ol style="list-style-type: none"> 1. The organisation follows Conflict of Interest (COI) Guideline 2017, and practices declaring and managing COI as required; 2. The organisation has a Procurement Rules/Procedures/ Policy document or follows a public/government Procurement Rules/Procedures; 3. The organisation has transparent Human Resource Recruitment and Development Policy/Plan; 4. The organisation is audited by RAA or RAA-empanelled/ certified external audit annually; 5. The organisation follows Asset Declaration (AD) Rules 2017 and submits AD Report as per the requirements specified in the rule to ACC in time (on or before 20 June); and 6. The organisation follows Gift Rule 2017.
Responsive Leadership	<ol style="list-style-type: none"> 1. The organisation has an independent and effective governing body (Board of Trustees/Directors) with clear roles and responsibilities in terms of providing oversight and guidance to the organisation; 2. The organisation has procedures in place for the nomination of Trustees (Board Members), including provisions on vacancy and term of office; 3. Every Trustee/Board Member submits Tax Clearance Certificate to the organisation before assuming office; 4. Board meetings are held every three months (Quarterly) without fail; 5. The organisation has clear and transparent guidelines for the recruitment of the Executive Director/Head of the organisation; 6. The ED/Head of the organisation has a well-defined tenure of office; 7. The remuneration and benefits of the ED/Head of the organisation is based on rationale and clearly documented in the Service Rule Book; and 8. The organisation has a dedicated Integrity Focal Person (IFP) appointed by the organisation.
Responsive Decision Making	<ol style="list-style-type: none"> 1. The members of the organisation, its leadership and employees participate in the planning, implementation, monitoring, and evaluation of the organisational plans and programmes; 2. The organisation maintains proper monitoring records of the progress of its expenditures; and 3. The organisation follows procurement rules/procedures.
Well-Handled Resources	<ol style="list-style-type: none"> 1. The organisation has its own Service Rules and Regulations; 2. The organisation periodically evaluates the performance of its human resource and needs; 3. The organisation respects labour rights (Labour and Employment Act of Bhutan) and offers its staff and volunteers a safe and fair working environment; 4. The organisation has clear service delivery standards for payment to its employee/contractors/suppliers/ consultants etc.; 5. The organisation maintains proper records of the organisation's properties; 6. The organisation has internal guidelines/OPs for the IFP; and, 7. The organisation promotes and adopts any other relevant integrity measures proactively.



Strategy document to collaborate parliament and CSOs

SONAM PENJOR
Thimphu

The strategy document for Parliament-Civil Society Organization (CSO) collaboration, which aims at facilitating effective collaboration between Parliament and the CSOs, to contribute to nation building was launched on 4 May.

The document is expected to strengthen mutual political participation that reinforces the mandate of a representative and ensure a transparent and accessible Parliament.

The strategy document also recognizes the significance of CSOs in the transformation process of the country. The strategy aims to promote collaboration between the Parliament of Bhutan and Bhutanese civil society through the establishment and strengthening of channels already defined in the Assembly and the Council's Strategic Development Plans (SDPs).

As part of their strategic direction, according to the strategy document, both the NA and the NC secretariats plan to collaborate with CSOs on improving the mechanisms and detailing the procedures for engagement, with the aim of broadening the 'level of consultations and professional working relationships between Parliamentarians, the committees, and CSOs'. This will also include reorientation of awareness-raising of their respective functions in nation building.

The vision and mission of the strategy were drafted to encapsulate each chamber's values of professionalism, integrity, fairness, accountability, and consensus building as set out in their respective Strategic Development Plans.

"The strategy aims to promote collaboration between the Parliament



The strategic document is expected to strengthen mutual political participation that reinforces the mandate of a representative and ensure a transparent and accessible Parliament

of Bhutan and Bhutanese civil society by establishing and strengthening channels of cooperation on fulfilling their important roles," the document states.

The focus of the collaboration will be on the areas of legislation, representation and oversight through CSO participation in round-table discussions, committee meetings/consultations, public hearings, petitions and an annual Parliament-CSO meeting.

The strategy document has been developed through a consultative approach by the Parliament of Bhutan under the Project "Nyamdrel" and is fully funded by the European Union.

As Bhutan continues to undergo significant transformation towards efficiency, the Speaker of the National Assembly, Wangchuk Namgyel said, "The importance of harnessing the potential of CSOs in increasing citizen

interest and participation in the transformation processes has also grown."

Speaker Wangchuk Namgyel said that the Parliament recognises the vital role CSOs as an institution can play in sensitizing community responsibilities, raising awareness and drawing attention to new developments.

Chairperson of the Executive Committee of Bhutan Civil Society Network (EC, BCSN), Dr Rinzin Rinzin said, "Engagement and collaborations between the Parliament and The Third Sector (the Civil Society) has been gradually growing over the last couple of years."

He said that the Parliament with its supreme legislative, representative and oversight functions plays the most pivotal role in ensuring the security and sovereignty of our country and the well being and harmony of our people.

"We, the civil societies, on the other hand, are a group of compassionate and passionate citizens

committed to supplement and complement the noble efforts of the Government to ensure that no one is left behind—that the unreached are reached and the unheard are heard," he said, adding their contributions to nation building are modest yet laudable given that there are only 52 registered CSOs today.

For instance, he said, during the last three years from 2020-2022, CSO provided employment for 2,068 Bhutanese; had 29,312 volunteers serving our citizens; 354,950 citizens accounting to 45.36 percent of the total national population directly benefited from the public services they provided.

Similarly, CSO covered 52,514 households accounting to 32.22 percent of the total households in the country in 20 districts. It also generated a total revenue of Nu 1.825 billion. "Therefore, the need for the two institutions to work closely together needs no further emphasis," Dr Rinzin

Rinzin said.

He added that this event is a major milestone in the history of the development of civil society in Bhutan.

Dr Rinzin Rinzin said that this document, a first of its kind to be mutually agreed upon and endorsed by the legislature and the civil society, will go a long way in enhancing the already improving collaborations between the two institutions.

"This will ensure that there is effective and efficient transfer of knowledge on and experiences of the society, especially those of the marginalized and vulnerable groups through the CSOs to the legislature, which in-turn will assist the legislature in making evidence-based decisions," said Dr Rinzin Rinzin.

He added that this initiative is also an excellent example to showcase how different institutions and the civil society can develop ways and means to work together and promote inclusive governance in nation building.