



Bhutan CSO Accountability Standards

2023

Civil Society Organizations Authority

Bhutan CSO Accountability Standards 2023

MESSAGE FROM THE CHAIRPERSON

Civil Society Organizations are a commendable development sector in Bhutan. Since the enactment of the CSO Act in 2007 by the then Parliament of Bhutan and formal establishment of the Authority in 2009, the institution and contributions by the CSOs in the country has been very coherent and notable.

As the custodian of the Law, the Authority's protagonist is to administer the overarching mandates of instituting the CSO's establishment, regulating in line with the legislations enforced and as the nodal agency to represent the sector & facilitate to create conducive environment for the CSOs to perform at the pinnacle. The acumen is to strengthen the civil society to uphold the customary humanitarian Bhutanese values to help the vulnerable section of the society aligned with the newly constituted democratic structure.

Establishment of CSOs has been rapid in recent times in diverse thematic areas. Beyond shadow of doubt, CSOs encompasses dynamism and proficiency, assuring the prospect of fundamental cause. Nevertheless, as we endeavor into the future, it would be appropriate to stay abreast and relevant with vibrant professionalism and competencies.

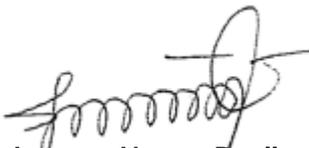
Hence, as the Chairperson of the Authority, it gives me immense pleasure to launch the Bhutan Civil Society Accountability Standards (BCAS) 2023. The Standard is a basic interactive requisites for the CSOs, interpreted and streamlined from the relevant legislations enforced in the country and preminent accountability standards practiced globally, not only to honor the regulations but also to enhance the internal governance for enriched transparency and accountability mechanism.

I believe that the initiative has been further deepened by the Anti-Corruption Commission's collaboration to brace our CSOs with the best internal governance system. On behalf of the Authority and the CSOs, I convey my sincere appreciation for the Commission's deep enthusiasm and propelling wits to eliminate the risk of exploitations in the system. And it doesn't ring a bell without a special mention of Bhutan Transparency Initiative (BTI), which has enormously contributed towards the formulation of the Standards since the inception of the idea. Indeed it is very savoring to observe our CSO working closely and diligently with the agencies to assist and guide the public offices.

On this note, I am confident that the BCAS will supplement the ongoing national reform initiatives and our CSOs' management will embrace it with great zeal and commitment for the furtherance of your esteemed organizations and ultimately to realize the noble vision of our beloved Druk Gyalpo.

Kadrinche.

Dated: 06/03/2023



Lyenpo Ugyen Dorji
Minister
Ministry of Home Affairs



Foreword

That the Anti-Corruption Commission (ACC), the Civil Society Organization Authority (CSOA), and the Bhutan Transparency Initiatives (BTI) came together and formulated and adopted the Bhutan CSO Accountability Standards (BCAS) during the workshop on ‘Enhancement of Internal Governance Mechanisms for the CSOs in Bhutan’ held at Paro in June 2022 is indeed highly commendable.

As the Bhutanese CSOs embark on the implementation of the BCAS, the ACC is pleased to support the publication of this booklet which will serve as a reference point and provide a framework to promote transparency and accountability in their operations.

By adopting these accountability standards, CSOs demonstrate their commitment to excellence and their desire to be held accountable to the highest standards. This will not only enhance their credibility and performance, but also build trust and confidence in their work among stakeholders, including donors, volunteers, beneficiaries, and the general public.

The Commission believes that these accountability standards will serve as a valuable resource for the Civil Society Organizations, and encourage them to adopt best management practices. We look forward to continued cooperation and support in driving the integrity and anti-corruption efforts towards achievement of our common national goals and Enlightened Vision of His Majesty The King.

Tashi Delek!



Deki Pema

Chairperson



Abbreviations and Acronyms

| | |
|------|---------------------------------------|
| ACC | Anti-Corruption Commission of Bhutan |
| AD | Asset Declaration |
| ADA | Asset Declaration Administrator |
| BCAS | Bhutan CSO Accountability Standards |
| BTI | Bhutan Transparency Initiative |
| COI | Conflict of Interest |
| CSO | Civil Society Organization |
| CSOA | Civil Society Organizations Authority |
| ED | Executive Director |
| IFO | Integrity Focal Person |
| ToR | Terms of Reference |



Table of Contents

| | |
|--|-----|
| Message from the Chairperson..... | i |
| Foreword..... | iii |
| Abbreviations and Acronyms..... | v |
| Introduction | 1 |
| 1. Scope and Extent | 3 |
| 2. Custodian of the Standards | 3 |
| 3. Normative References..... | 4 |
| 4. Terms and Definitions..... | 4 |
| 5. The Four Broad CSO Accountability Standards ... | 7 |
| 5.1. <i>Open Organization</i> | 8 |
| 5.1.1. Conflict of Interest (COI):..... | 8 |
| 5.1.2. Procurement Rules or Procedures Policy:... | 9 |
| 5.1.3. Human Resource Management:..... | 9 |
| 5.1.4. Annual Audit: | 9 |
| 5.1.5. Asset Declaration Rules: | 10 |
| 5.1.6. The Gift Rules: | 10 |
| 5.1.7. Model Public Service Code of Conduct: ... | 10 |
| 5.2. <i>Responsive Leadership</i> | 11 |
| 5.2.1. Governing Body:..... | 11 |
| 5.2.2. Nomination of Trustees:..... | 11 |
| 5.2.3. Tax Clearance Certificate by Trustees:..... | 11 |
| 5.2.4. Board Meetings:..... | 12 |
| 5.2.5. Recruitment of Head of CSO: | 12 |
| 5.2.6. Tenure of Head of Organization: | 12 |



| | |
|---|----|
| 5.2.7. Remunerations and Benefits of the Head of Organisation:..... | 12 |
| 5.2.8. Integrity Focal Person:..... | 13 |
| 5.3. <i>Responsive Decision-Making</i> | 13 |
| 5.3.1. Participation in Decision-Making Processes:..... | 13 |
| 5.3.2. Records of the Progress of Expenditure: .. | 13 |
| 5.3.3. Procurement Rules/Procedures:..... | 14 |
| 5.4. <i>Well-Handled Resources</i> | 14 |
| 5.4.1. Service Rules:..... | 14 |
| 5.4.2. Performance Evaluation:..... | 14 |
| 5.4.3. Labour Rights:..... | 14 |
| 5.4.4. Service Delivery Standards for Payments: | 15 |
| 5.4.5. Records of Properties: | 15 |
| 5.4.6. Integrity Focal Person:..... | 15 |
| 5.4.7. Other Integrity Measures:..... | 15 |



Introduction

Civil society in Bhutan existed since time immemorial, although the Bhutanese people have begun to understand what civil society actually means only recently. The role of Civil Society Organization (CSOs) has also evolved over the years into one that is a credible force in Bhutan's development process. Today, CSOs render services to the communities ranging from enhancement of socio-economic development, environmental conservation to preservation of tradition and culture, and governance, thereby filling the gaps as well as complementing the efforts of the government in delivering efficient, effective and sustained public services.

Since CSOs deliver public services, they are accountable to the Bhutanese citizenry. Thus, CSOs must practice and promote high standards in accountability, ethics, and management to gain the trust and confidence of the public and maintain an acceptable image.

In 2021, Bhutan Transparency Initiative in collaboration with Anti-Corruption Commission (ACC) of Bhutan and CSO Authority conducted a study to assess the internal governance mechanisms of CSOs in Bhutan. The result of the study was presented to the representatives of 48 (out



of a total of 54) CSOs during the consultative workshop titled ‘Vibrant CSOs for Vibrant Democracy- Consultative Workshop for Strengthening Accountability Mechanisms for the CSOs in Bhutan.’ During the three-day workshop, the representatives of CSOs, ACC and CSOA formulated a minimum set of accountability standards for the CSOs in Bhutan by combining ACC’s Organizational Integrity Plan (OIP) and Accountable Now’s CSO Dynamic Accountability. This set of standards is called the Bhutan CSO Accountability Standards 2023 (BCAS).



1. Scope and Extent

The Bhutan CSO Accountability Standards 2023 (BCAS) specifies the minimum set of governance practices required of the CSOs in Bhutan to render them transparent and accountable in their internal governance as well as in dealing with their stakeholders.

The requirements include the need for all CSOs to be transparent in their day-to-day conduct, responsive in decision-making, have responsive leaderships, and handle resources well.

All the CSOs shall endeavor to adopt the standards in staggered manner within three years. The progress of adoption shall be monitored annually by CSOA. The monitoring report of the standards by the CSOA shall be shared with ACC every year.

The Standards shall apply to all the registered CSOs in the country and shall come into force from 1 March 2023.

2. Custodian of the Standards

The Civil Society Organizations Authority (CSOA) shall be the main custodian and regulator of the Standards.

3. Normative References

The BCAS is based on ACC's Organizational Integrity Plan (OIP), CSO (Amendment) Act 2022, CSO Rules and Regulations 2017, and Accountable Now's CSO Dynamic Accountability.

4. Terms and Definitions

Accountability: an obligation or willingness to accept responsibility or to account for one's actions or being answerable for something.

Board of Trustees/Directors: A board of trustees/directors is an appointed or elected group of individuals that has the overall responsibility for the management of an organization. It is typically the governing body of an organization and seeks to ensure the best interest of stakeholders in all types of management decisions.

Chairperson: It means the Chairperson of the Board of Trustees/Directors.

Civil Society Organization (CSO): CSO refers to registered not-for-profit organizations that are not part of Government and do not distribute any income or



profits to their members, founders, donors, directors or trustees.

Conflict of Interest (COI): It is a situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another.

Dynamic Accountability: It is a systemic approach to CSO accountability that is grounded in meaningful engagement with all stakeholders that is inclusive, participatory and continuously practiced.

Executive Director (ED): ED is the administrative head of a CSO.

Gift: It includes anything of economic value for which no consideration is expected/given in return at any point of time.

Governance: It is the act or process of overseeing the control and direction of an organization.

Member: It means a Member of the Board of Trustees/Directors or a Member of CSO.

Open Organization: An open organization is an organization that is transparent about who it is, and



what it does and share its experiences, successes and failures with the public.

Person: A person includes an individual, partnership, corporation, organization, enterprise, agency, or other legal entity whether public or private and successor, representative, or agent of one of them.

Property or asset: It means money or any other corporeal or incorporeal, movable or immovable, tangible or intangible thing, whether situated in Bhutan or elsewhere and includes any rights, privileges, claims, securities and any interest therein and all proceeds thereof.

Responsive Decision Making: This means that an Organization ensures that its decisions are responsive to feedback from the people affected by its work, partners, volunteers, and staff.

Responsive Leadership: This means that the Organization ensures that its management and governing body are accountable of their actions and conducts. In other words, it means that the leadership provides a clear vision and ethical values for the



Organization to enable it to effectively achieve its goals and mandate.

Service Rule Book: It is a legal document that specifies job positions of an organization with their ToRs, tenure, remunerations and benefits.

Standards means the Bhutan CSO Accountability Standards 2023.

Trustee: A trustee is a member of the Board of Trustees/Directors.

Well-Handled Resources: This means that an Organization handles its resources responsibly and sensibly to reach its objectives and serve the community.

5. The Four Broad CSO Accountability Standards

During the workshop ‘Vibrant CSOs for Vibrant Democracy- Consultative Workshop for Strengthening Accountability Mechanisms for the CSOs in Bhutan’ conducted collaboratively by ACC, BTI and CSOA with representatives from 48 out of 54 registered CSOs of from 8-10 June 2022 at Paro, the participants unanimously endorsed

the following four broad standards as the Bhutan CSO Accountability Standards 2023 (BCAS):

- (a) Open Organization;
- (b) Responsive Leadership;
- (c) Responsive Decision Making; and
- (d) Well-Handled Resources.

5.1. Open Organization

A CSO shall endeavor to be an open organization whereby it shall comply with the following:

5.1.1. Conflict of Interest (COI):

A CSO shall follow the Model Guideline on Managing Conflict of Interest in the Public Sector, and practice declaring and managing COI as required. The Organization shall maintain records of COI declarations, especially from Board meetings, Procurement Committee meetings, Tender Committee meetings, and Recruitment and Selection Committee meetings.

5.1.2. Procurement Rules or Procedures Policy:

A CSO shall either have its own Procurement Rules/Procedures Policy or follows a public/government Procurement Rules/Procedures.

5.1.3. Human Resource Management:

A CSO shall have a transparent human resource recruitment and development policy/plan. A CSO shall conduct Integrity Vetting for the recruitment and promotion of their staff as per the Integrity Vetting Rules 2022.

5.1.4. Annual Audit:

A CSO shall be audited annually by Royal Audit Authority (RAA) or RAA-empanelled or certified external audit. The annual audit report must be made easily available to the public through the CSO's annual report as well as its website.

5.1.5. Asset Declaration Rules:

A CSO shall follow Asset Declaration (AD) Rules and submit AD Report as per the requirement specified in the revised AD Rules 2022 to ACC between March to April each year. It shall be the duty of the ADA to notify/remind the eligible declarants about the date of declaration.

5.1.6. The Gift Rules:

A CSO shall maintain a Gift Register, and all its employee who receive gifts shall declare the gifts and the organization shall manage the gifts as per the rule.

5.1.7. Model Public Service Code of Conduct:

A CSO shall develop their own code of conduct, based on the Model Public Service Code of Conduct, which suits their respective mandates and functions.

5.2. *Responsive Leadership*

A CSO should ensure that its management and governing body are accountable of their actions and conducts by implementing the following standards:

5.2.1. Governing Body:

A CSO shall have an independent and effective governing body, that is, Board of Trustees/Directors with clear roles in terms of financial oversight of the organization and guardians of its mission.

5.2.2. Nomination of Trustees:

A CSO shall have procedures in place for the nomination of Trustees (Board Members), including provisions on vacancy and term of office.

5.2.3. Tax Clearance Certificate by Trustees:

Trustees/Board Members of a CSO shall submit Tax Clearance Certificate to the CSO before assuming office.

5.2.4. Board Meetings:

The Governing Body shall hold at least four quarterly (every three months) meetings in a year without fail, and maintain proper minutes of meeting.

5.2.5. Recruitment of Head of CSO:

A CSO shall have clear and transparent guidelines for the recruitment of the Executive Director (ED)/Head of the Organization.

5.2.6. Tenure of Head of Organization:

The ED/Head of the organization shall have a well-defined tenure of office.

5.2.7. Remunerations and Benefits of the Head of Organization:

The remuneration and benefits of the ED/Head of a CSO shall be based on rationale and clearly documented in the Service Rule Book.

5.2.8. Integrity Focal Person:

A CSO shall have a dedicated Integrity Focal Person appointed by the organization.

5.3. *Responsive Decision-Making*

A CSO should ensure that its decisions are responsive to feedback from the people affected by its work, partners, volunteers, and staff. To accomplish this, a CSO shall implement the following standards:

5.3.1. Participation in Decision-Making Processes:

A CSO shall endeavor to have the culture to engage its members, leadership and employees in the planning, implementation, monitoring, and evaluation of the Organizational plans and programs.

5.3.2. Records of the Progress of Expenditure:

A CSO shall maintain proper monitoring records of the progress of the expenditure at all times.

5.3.3. Procurement Rules/Procedures:

A CSO shall follow procurement rules/procedures stringently at all times.

5.4. *Well-Handled Resources*

A CSO shall ensure that it handles its resources responsibly and sensibly to reach its objectives and serve the community. In order to achieve this, a CSO shall implement the following standards:

5.4.1. Service Rules:

A CSO shall have a Service Rule Book which defines all service categories of its employees, their Terms of Reference (ToR), and remunerations and benefits.

5.4.2. Performance Evaluation:

A CSO shall periodically evaluate the performance of its human resource and needs.

5.4.3. Labour Rights:

A CSO shall respect labour rights as per the Labour and Employment Act of Bhutan

2007 and offer its staff and volunteers a safe and fair working environment.

5.4.4. Service Delivery Standards for Payments:

A CSO shall have clear service delivery standards for payment to its employees, contractors, suppliers, consultants and so on.

5.4.5. Records of Properties:

A CSO shall maintain proper records of the Organization's properties. It must have an inventory of all its properties.

5.4.6. Integrity Focal Person:

A CSO shall have an Integrity Focal Person appointed by it with internal guidelines or Standard Operating Procedures for her/him.

5.4.7. Other Integrity Measures:

A CSO shall endeavor to promote and adopt any other integrity measures proactively at all times.

