



Royal Government of Bhutan

National Integrity and Anti-Corruption Strategy (2019-2023)

Developing Accountable, Moral and Transparent
Systems and Individuals

Towards realizing the 12th NKRA 'Corruption Reduced'



"One of the key attributes that will set us apart from others is the value of integrity. We must be a nation of honest, reliable and trustworthy people."

His Majesty's Address on the 14th RUB Convocation, 2019



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ABBREVIATIONS

ACC	Anti-Corruption Commission
AD	Asset Declaration
AKRA	Agency Key Result Area
APA	Annual Performance Agreement
APT	Annual Performance Target
AWP	Army Welfare Project
BCCI	Bhutan Chamber of Commerce and Industry
BCoC	Business Code of Conduct
BCSS	Bhutan Civil Service System
BIIB	Business Integrity Initiative of Bhutan
BMF	Bhutan Media Foundation
BNCA	Bhutan Narcotics Control Authority
BOC	Bhutan Olympic Committee
BSB	Bhutan Standards Bureau
BTI	Bhutan Transparency Initiative
CDB	Construction Development Board
CIP	Corporate Integrity Pledge
CSIS	Civil Service Information System
CSO	Civil Society Organization
CSOA	Civil Society Organization Authority
DHI	Druk Holding and Investments
DLG	Department of Local Governance
DoI	Department of Immigration
DRA	Drug Regulatory Authority
DRC	Department of Revenue and Customs
ECB	Election Commission of Bhutan
e-GP	Electronic Government Procurement
FDI	Foreign Direct Investment
FYP	Five Year Plan
G2C	Government to Citizen
GDP	Gross Domestic Product
GNH	Gross National Happiness
GNHCS	Gross National Happiness Commission Secretariat
GPMD	Government Performance Management Division
GPMS	Government Performance Management System
HR	Human Resource
HRC	Human Resource Committee
HRH	His Royal Highness
HRM&D	Human Resource Management & Development
IC	Integrity Committee
ICT	Information and Communication Technology
ISO	International Standard Organization
ISSAIs	International Standards of Supreme Audit Institutions
JAB	Journalist Association of Bhutan
JSWSL	Jigme Singye Wangchuck School of Law
KGUMSB	Khesar Gyalpo University of Medical Sciences of Bhutan

National Integrity and Anti-Corruption Strategy (2019-2023)

Developing Accountable, Moral and Transparent Systems and Individuals

KPI	Key Performance Indicator
LG	Local Government
MaX	Maximizing for Excellence
MIC	Lower Middle Income Country
MLA	Mutual Legal Assistance
MoAF	Ministry of Agriculture and Forests
M&E	Monitoring and Evaluation
MoE	Ministry of Education
MoEA	Ministry of Economic Affairs
MoF	Ministry of Finance
MoIC	Ministry of Information and Communications
MoLHR	Ministry of Labour and Human Resources
MoM	Minutes of Meeting
MoU	Memorandum of Understanding
MoV	Means of Verification
NA	National Assembly
NACSF	National Anti-Corruption Strategy Framework
NC	National Council
NCBS	National Corruption Barometer Survey
NGO	Non-Government Organization
NGOP	National Graduate Orientation Program
NIA	National Integrity Assessment
NIACS	National Integrity and Anti-Corruption Strategy
NIC	National Integrity Committee
NKRA	National Key Result Area
NSB	National Statistics Bureau
OAG	Office of the Attorney General
OIP	Organizational Integrity Plan
PEMS	Public Expenditure Management System
QMS	Quality Management Services
RAA	Royal Audit Authority
RAMIS	Revenue Administration Management Information System
RBP	Royal Bhutan Police
REC	Royal Education Council
RMA	Royal Monetary Authority
RUB	Royal University of Bhutan
RCSC	Royal Civil Service Commission
RIA	Regulatory Impact Assessment
SET	Self Evaluation Tool
SOP	Standard Operating Procedure
TAT	Turn Around Time
ToR	Terms of Reference
UNCAC	United Nations Convention against Corruption
WTO	World Trade Organization



PRIME MINISTER

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Royal Government of Bhutan

Foreword

Soon after the elections, candidates that would make up the Cabinet of the third democratically elected government met for the first time in a hotel in Thimphu. At the momentous meeting, I only had one message to convey.

From the day we assume office, besides numerous decisions, many propositions will come our way. But each time we reach such intersection, I reminded my friends that we should meditate on the innocent faces of our people we met along the campaign trails.

That way, in working towards realising the hopes and trust they placed upon us, I said we will not tolerate corruption, let alone pursue it in any form or proportion.

On that note, from the very beginning, we offered ourselves as a strong, moral and trustworthy government. In our commitment to serve the country, our words and actions would revolve around the axis of high integrity.

As a nation that embarked on a democratic journey just over a decade ago, we are mindful that corruption is potentially the biggest impediment towards fulfilling the noble aspirations of our King. We have to step up the vigilance.

We are grateful to His Majesty, who at all times, cautions us on probable risk of corruption and entreats us to practicing high integrity and moral standards.

As long as we live by the profound words of His Majesty, and be defined by innate qualities of a good human being, one driven by compassion and empathy, there is no room for corruption to sprout in our lives.

Therefore, it is natural that the government consider fighting corruption as a priority. With our stand on corruption so clear, we only require a fabric that will weave our intentions into our actions.

This comes in the form of National Integrity and Anti-Corruption Strategy (NIACS) 2019-2023, a document that provides comprehensive and holistic perspective on preventing and combating corruption.

The strategy, which Anti-Corruption Commission (ACC) developed through rigorous consultation with all stakeholders, aligns with the 12th Five Year Plan, and ensures greater synergy with the developmental process.

This Plan becomes all the more crucial as Bhutan seeks to graduate from the status of Least Developed Country by the end of it. There is no room for complacency.



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Royal Government of Bhutan

PRIME MINISTER

For a small country, as we function within limited resources, the efficiency of our governance will diminish should we not counter the prevalence of corruption.

We campaigned on “narrowing the gap” to secure the mandate of governance. We understand there is no way we can get closer to achieving this if we do not address components of corruption, which are agents of widening disparity.

Gladly, “Corruption reduced” has been retained as one of the national priorities in this Plan. It will ensure greater impetus in promoting integrity as we implement the activities.

What is encouraging is the fact that this has been made mandatory for all budgetary agencies. This will not only mainstream integrity measures in the agencies but also invoke collective responsibility to uphold justice and act against corruption.

Today, as the ACC continues to lead the anti-corruption drive in the country, it is critical for all of us to complement the efforts. Therefore, by way of endorsing this strategy, we commit to abide by its objectives.

I am also pleased to inform you that for the first time, a national level committee called National Integrity Committee (NIC) chaired by the Prime Minister has been formed.

It is unique from many anti-corruption strategies as the NIC comprises members not only from government agencies but also the Judiciary, Constitutional Offices, Civil Society Organisation and Private Sector, thus establishing a strong alliance against corruption.

Together, we can make a difference.

I have always been sharing on different forums that whether we misuse one ngultrum or Nu 100,000 of public resource, the gravity is the same. It is not about the amount. It is about intention, the basis of which is tainted.

As for myself and my colleagues in the Cabinet, we will overcome corruption no matter how challenging. After all, as an elected government, we will have to reciprocate the trust and confidence with which people gave us the responsibility.

Dr Lotay Tshering

EXPRESSIONS OF POLITICAL WILL

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Although Bhutan had been once effectively brought under the beneficent influence of strict law and justice, it subsequently, on account of general corruption and laxity on the part of those in authority, became slack in all branches. If this should be allowed to continue, there would be no distinction between right and wrongdoing, no justice, and without justice human beings cannot have happiness and peace.

- *Shabdrung Ngawang Namgyal, 17th Century*

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Corruption is unambiguous- there is no great or small corruption. And no one can be above the law. But there is an even greater threat – ignoring corruption. When the corrupt are not held to account, those who observe due diligence, work hard and professionally are most likely to be discouraged. We mustn't allow the latter to lose morale by rewarding everyone indiscriminately, irrespective of his or her performance. That is why, corruption must be curtailed and, more than ever before, extraordinary service must be recognized and rewarded.

- *His Majesty's Address on the 107th National Day, 2014*

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Some governments neglect long-term national goals and choose to derive political dividends from shortsighted decisions. The obsession to win elections or the fear of losing one drives some to forget their loyalties to the nation and also compromise their moral rectitude. Some elected representatives further their own personal interests and fail to serve the people as pledged. It is important for elected leaders to set the right examples and uphold high moral and ethical standards as they enjoy the confidence and trust of the people.

- *His Majesty's Address to the 3rd Session of the 2nd Parliament, 2014*

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01. INTRODUCTION



One of the causes for the downfall of the Government and unrest of the people is the practice of corruption. If it creeps in once then it is difficult to erase it. [...] We must make corruption free country so that we do not repent in future.

- **HRH the Crown Prince's Address during public consultation on the Constitution in Gasa, 2005**



Corruption is a worldwide phenomenon affecting all countries/territories, big or small, underdeveloped or developed, varying only in degree and forms. Bhutan is no exception. Corruption undermines the country's democratic principles, deteriorates cultural and moral values, stifles socio-economic development, misleads justice and depletes State resources. It potentially disregards rule of law leading to public distrust in State apparatus and disharmony in the community, eventually, undermining the security and sovereignty of the country.

There are various theories explaining why people engage in crime/corruption. According to the rational choice theory, crime including corruption is a matter of choice and result of individuals' rational or irrational decisions. It posits that humans are rational beings, exercise free-will in decision making and have equal capacity to reason or distinguish right from wrong. The theory postulates that people engage in corruption based on rationality, self-interest and through a cost-benefit analysis of engaging in corrupt behavior. Consequently, behavioral change and deterrence can be accomplished only if the offenders' decision making process is altered by increasing the risks and reducing the benefits of engaging in corruption.

Others state that criminal behaviour is influenced by forces outside individual control and that interventions to alter human behaviours must focus on changing the physical landscape or external environment.

Some theorists claim that crime/corruption is contingent on the principle of distance decay or least effort principle premised on the logic that a person given various possibilities of actions will select the one requiring the least effort. In this regard, most perpetrators would exercise the least effort principle and not move far or out of their comfort zone to commit crimes. For instance, an offender will always be comfortable to breach laws and systems of his/her own agency since that requires the least effort. Further, crime/corruption is deemed as a function of how laws are written and enforced, so it is essential that relevant laws are enacted and more importantly implemented in true spirit.

Notwithstanding the above critical perspectives, controlling corruption requires better understanding of the underlying causes of corruption and the need for society's reactions to counter it as illustrated in **Figure 1**. It is in this vein that the integrity and anti-corruption strategies are developed and mainstreamed to reduce corruption, keeping in mind the following four causes/elements of fraud/corruption¹:

- i. Pressure/Incentive (Leads the perpetrator to the door);
- ii. Opportunity (Opens door for the perpetrator);
- iii. Rationalization (Entices the perpetrator to the door); and
- iv. Capability (Empowers the perpetrator to walk through the door).

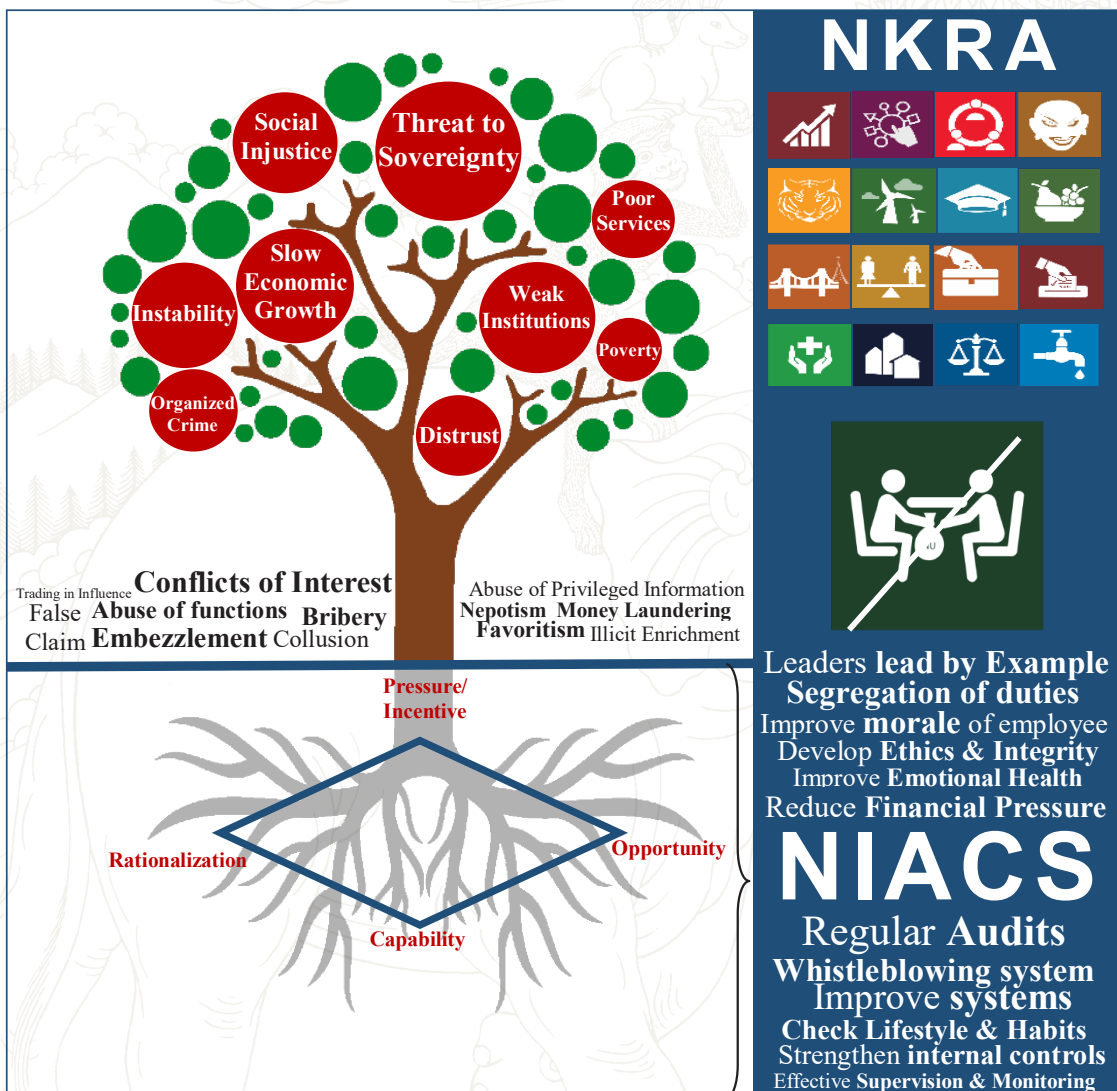


Figure 1: Corruption causality and interventions

¹ Fraud diamond theory by Wolfe and Hermanson (2004) and Ruankaew (2016)

Considering the pervasive nature and ill effects of corruption, controlling it requires concerted efforts from various actors. Corruption cannot be tackled through a *one-size-fits-all* approach, so it warrants multi-pronged strategies from different quarters. The role of each actor under the leadership of the government is crucial to tackle corruption.

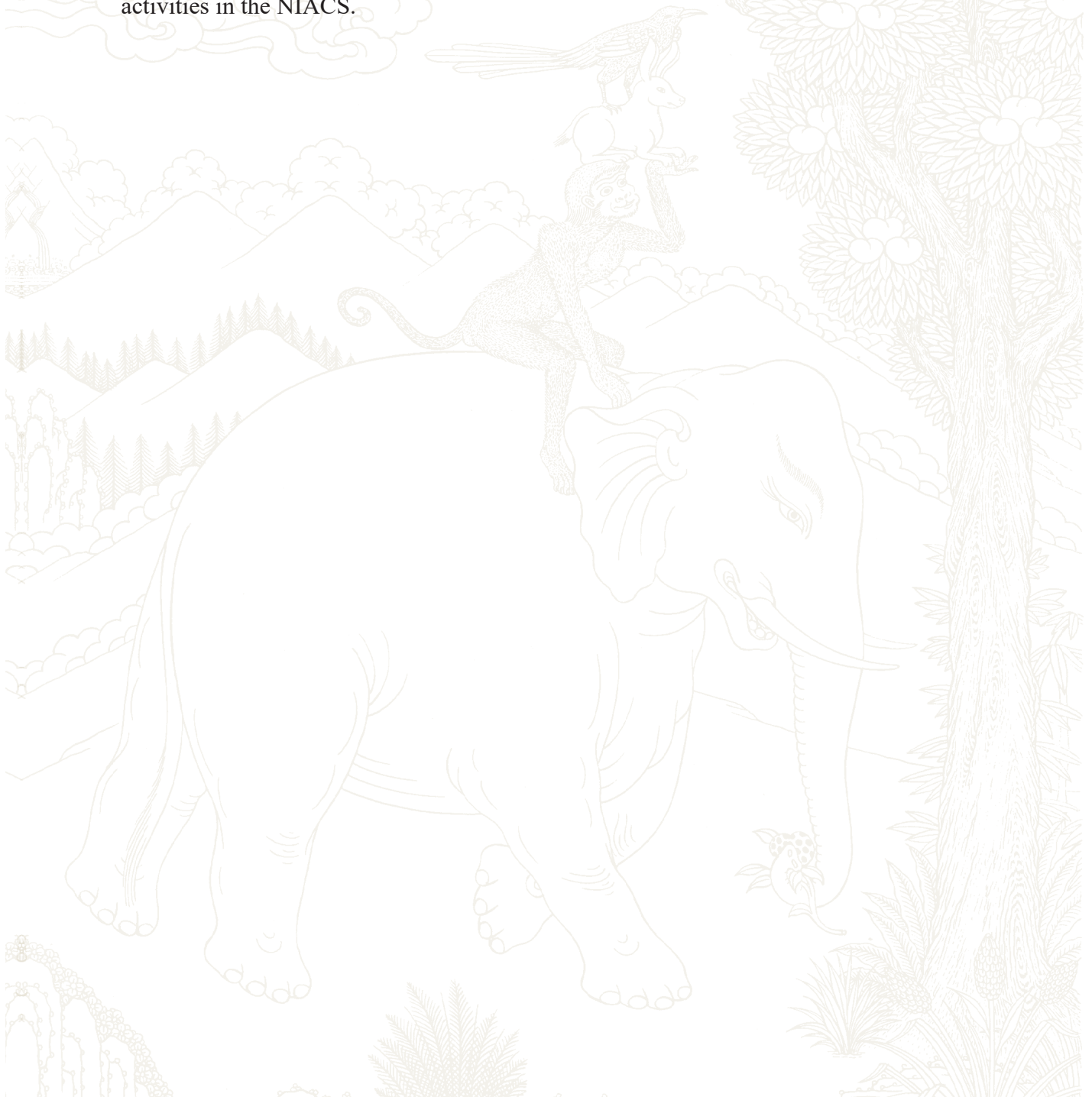
For the first time in the country, a comprehensive anti-corruption policy document called '*National Anti-Corruption Strategy Framework (NACSF)*' was developed and endorsed in 2009 in consultation with national stakeholders and experts. The NACSF 2009 applied to all government agencies (three branches), with implementation expected to occur through these agencies' programs and projects. It was also applicable to the armed forces, private sector, corporate bodies, media, and civil society. The NACSF 2009 achieved some notable results, particularly in implementing a stronger legal and regulatory framework and building the capacity of key accountability institutions, notably the ACC and its partners from justice sector.

The second national anti-corruption strategy document '*National Integrity and Anti-Corruption Strategy (NIACS) 2014 – 2018*' was developed after an in-depth assessment of its achievements and challenges, particularly the lack of ownership by agencies and monitoring and evaluation mechanisms. Consequently, the revised strategy, besides being closely aligned with the 11th Five Year Plan (FYP), was also integrated into the Government Performance Management System (GPMS). It offered an effective platform for the government and agencies to fight corruption collectively with a greater sense of shared responsibility and synergy.

The third strategy document NIACS 2019 – 2023 (hereafter referred as the NIACS) further builds on the previous two strategies. In developing the NIACS, conducted rigorous and progressive consultations involving all the national stakeholders. Opportunely, the government's desire to fight corruption has been reinforced with the adoption of '*Corruption Reduced*' as one of the National Key Result Areas (NKRA) in the 12th FYP. This provides an opportunity for the government to ensure successful realization of the overall goal of "*just, harmonious and sustainable society through enhanced decentralization*". The NKRA '*Corruption Reduced*' being mandatory is expected to enhance mainstreaming integrity and anti-corruption measures across all public sectors, implemented through GPMS/Strategic Corporate Plans. Further, mainstreaming integrity and anti-corruption measures outside the public sector will be spearheaded by the Anti-Corruption Commission (ACC) in the form of Organizational Integrity Plan (OIP).

The NIACS focuses on key areas that can contribute to realization of the 12th NKRA '*Corruption Reduced*'. Towards this, three strategic objectives have been identified namely 1) Transparent, accountable and integrity culture strengthened; 2) Integrity consciousness enhanced; and 3) Credibility and effectiveness of law enforcement and regulatory agencies enhanced to strengthen the systems; foster ethical leadership, integrity and professionalism; forge strong alliance; promote active citizenry; and build institutional capacities.

The NIACS is aimed towards channelizing political will of leaders and efforts of implementing agencies in collectively driving anti-corruption agenda. Leaders must guide and support the institutions in implementing the NIACS and ensure that these programs and activities are institutionalized. The implementation of the NIACS will be monitored and evaluated annually by the oversight agencies and committees to ensure its successful implementation. Nonetheless, the agencies may identify and initiate programs/activities depending on its vulnerability to corruption, beyond the defined activities in the NIACS.



02. SITUATIONAL ANALYSIS



With the rapid pace of economic development in our country, there have been changes in the thinking of the people with the influence of self-interest leading to corrupt practices taking place in both the government and the private sector. If appropriate steps are not taken now to stop this trend, it will lead to very serious problems in the future, for both the government and the people, in our country with a very small population. In this regard, it is the responsibility of every Bhutanese to act against corruption in our country. At a time when we are establishing parliamentary democracy in the country, it is very important to curb and root out corruption from the very beginning. Therefore, it is imperative to establish the Office of the Anti-Corruption Commission before the adoption of the Constitution and build a strong foundation for the Commission to effectively carry out its functions and responsibilities.

- *His Majesty the 4th Druk Gyalpo's Royal Decree, 2005*



According to Transparency International's Corruption Perceptions Index 2018, Bhutan is ranked as the 25th least corrupt country out of 180 countries/territories with a score of 68. Bhutan improved its rank from 30th in 2014 (score of 65) and still continues to occupy the *sixth* position in the Asia Pacific Region. This shows the country's progress in controlling corruption through committed actions in deepening democracy and promoting good governance in public and private sectors. Similarly, the control of corruption as per Worldwide Governance Indicators of the World Bank shows a positive trend as depicted in **Figure 2**. However, the control of corruption seems to be driven by external factors, such as fear of law enforcement rather than being driven by institutionalized systems and subscribing to moral values. This is a concern since such changes are not sustainable and calls for the government to make sustained and conscious efforts through institutionalizing various integrity measures in the governance.

Bhutan completed its first cycle of United Nations Convention against Corruption (UNCAC) review in March 2018 covering criminalization and law enforcement, and international cooperation. While the review in general commended Bhutan's legal compliance in context of UNCAC implementation, some of the gaps identified relate to sections on obstruction of justice, bribery of witnesses, Mutual Legal Assistance (MLA), extradition, disclosure of privileged information, etc. The review also assessed the technical assistance and capacity needs to improve the implementation of the Convention.

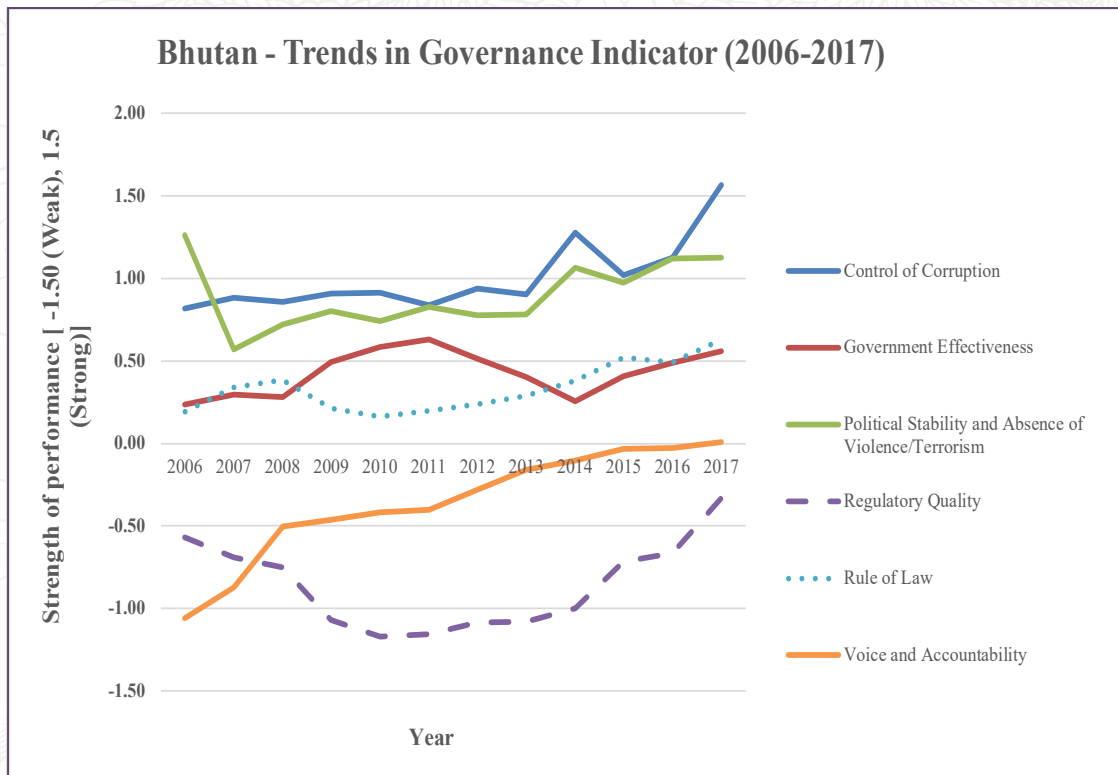


Figure 2: Trends in Governance Indicators of Bhutan (2006-2017) (Source: World Bank WGI)

Contrary to the international standing, the public perception on control of corruption in the country is relatively weak. This is evident from the decrease in National Integrity Assessment (NIA) 2016 score by 0.42 (from 8.37 in 2012 to 7.95 in 2016), calling for enhanced efforts from leaders and agencies in promoting integrity and fighting corruption through sustainable and innovative strategies. NIA 2016 indicates that 24% of respondents perceive the trend of corruption in the country has increased as compared to 14% in NIA 2012. National Corruption Barometer Survey (NCBS) 2016 also revealed similar perceptions with almost 32.5% of the respondents agreeing that corruption has increased over the past years. In addition, according to NCBS 2016, 13.43% of the population think that combating corruption would be an uphill task since it would mean taking on powerful nexus of judges, bureaucrats, politicians, and businessmen.

Further analysis of NIA 2016 reveals prevalence of abuse of functions in the form of favoritism and nepotism in public service delivery. Similar trends of favoritism and nepotism in recruitment, promotion and transfer being most prevalent forms of corruption is also indicated by NCBS 2016. These findings are corroborated by the fact that the highest number of complaints received by the ACC over the years are related to abuse of functions. In 2018 alone, 54.65% of the total complaints comprised abuse of function.

Likewise, embezzlement and bribery are also some of the significant types of corruption reported persistently as per the ACC's Annual Reports. NCBS 2016 highlights 10.2%

of the citizens reported to have paid bribes over a period of 12 months (2015 – 2016). The Annual Audit Report 2018 of the Royal Audit Authority (RAA) reported possible elements of fraud, corruption and embezzlements constituting 4.90% of the total irregularities. Similarly, it reported that violation of laws and rules cost the nation Nu. 185.10 million, equivalent to 0.46% of the annual budget for the financial year 2018-2019.

The quality of complaints that the ACC continues to receive also indicate the need to strengthen systems at all levels and across all public and private agencies. Of the 333 complaints received by the ACC in 2018, 177 were administrative in nature. This is an increase by 34 complaints of administrative nature as compared to 2017. Such complaints are shared with agencies for lack of corruption elements and warranting administrative recourse. This necessitates enhancing awareness on anti-corruption and strengthening systems that promotes transparency, accountability, fairness and integrity.

This is further substantiated by the Gross National Happiness (GNH) Survey 2015, where only 45.87% of the total 7,153 respondents rated either ‘very good’ or ‘good’ on the government’s performance in fighting corruption. There is room for the government to further improve the score, demonstrating government’s commitment to promote higher integrity and fight corruption.

Citizen’s participation in demanding accountability and transparency is also not encouraging. According to the GNH Survey, the percentage of people actively participating in Zomdues has decreased by 10% in 2015 as compared to 2010. Among others, this shows the loss of faith and public trust in agencies and demotivation to engage in the development processes. On the other hand, the trend of complaints received by the ACC indicate that LG is one of the sectors highly prone to corruption. The ongoing pace of decentralization poses greater corruption threats in the LG. If corruption is left uncontrolled, it will become a serious impediment to the democratic processes, slow economic growth and distrust in the LG. With greater decentralization, anti-corruption regime must also be intensified correspondingly.

Favorably, the turnout of registered voters for the third parliamentary election was 71.46% for National Assembly (NA) and 54.30% for National Council (NC) elections. While the percentage has increased compared to the second parliamentary election, both the government and electorate must work together to enhance civic engagement for a vibrant democracy. Civic engagement will also ensure election of ethical leaders, which is a cornerstone for reducing corruption. To this, Civil Society Organization (CSO), youth and media can play greater role in promoting anti-corruption and integrity measures and they must be equally involved in a coordinated and collaborative manner. Press freedom is one of the most fundamental parts of any anti-corruption strategy. However, the state of media according to the World Press Freedom Index 2019 published by Reporters Without Borders ranks Bhutan 80th out of 180 countries. This calls for the government to create a conducive environment for free and fair media.

Further, collective action and greater preparedness is needed as the country prepares to graduate to *Lower Middle Income Country (MIC)* status. Increasing public-private

interface exposes the country to complex forms of corruption and increases the vulnerabilities to unethical practices like collusion, fronting, influence peddling, etc. in the system of doing business. There is huge scope in reducing corruption if corporate governance principles are anchored comprehensively.

Bhutan is also experiencing rapid development in Information and Communications Technology (ICT) sector with high tech infrastructure/facilities and people increasingly being exposed to use of sophisticated gadgets and digital platforms. Such advancement necessitates the government and agencies concerned to be forward-looking and prepared for the challenges/threats ahead.

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The highest probable risk to development that I foresee is corruption. Our national development efforts will be hindered by unchecked corruption. The formulation of plans and programs may be done well, aimed at the wellbeing of the people. Impressive amount of budget may be disbursed in line with these plans. But as the activities become too numerous, oversight and monitoring may fall short, allowing some people to be corrupt. Although a large amount of resources are spent, projects may not be accomplished as designed and quality of the projects may suffer seriously. At the end, such activities may become a matter of regret and disillusionment for the people and immense loss for the government and the country.

- ***His Majesty's Address on the 107th National Day, 2014***

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Sensitization on 12th FYP & Draft NIACS



03. METHODOLOGY AND APPROACH

Preparatory works to develop the NIACS started as early as May 2017 by reviewing NIACS 2014 – 2018. For better synergy and enhanced ownership from the stakeholders, conscious efforts were made to align the national anti-corruption strategies with the plans and priorities of the government as depicted in **Figure 3**.



Figure 3: National anti-corruption strategy milestone

Independent review of NIACS 2014 – 2018 was conducted by engaging more than 90 representatives from the Parliament, Judiciary, Constitutional Bodies, Ministries, Autonomous Agencies, Media and Civil Societies. The review recommended for greater clarity and linkage of the strategy document with the 12th FYP. Thus, the strategic objectives of the NIACS, synonymous to the Agency Key Result Areas (AKRA), were formulated aligning it with the targets for the 12th FYP.

The three AKRAs and 24 Key Performance Indicators (KPI) were developed in consultation with the Gross National Happiness Commission Secretariat (GNHCS) and a core group consisting of officials from 15 key stakeholders, besides thorough deliberation within the ACC. The AKRAs were further sensitized to 955 representatives from 135 agencies comprising Constitutional Bodies, Ministries, DHI Companies, Autonomous Agencies, LG, Civil Societies, Media and Private Sector in the months of August and September 2017.

Drawing inspiration from His Majesty the King's wisdom that "*the future is neither unseen nor unknown. It is what we make of it.*", one of the contemporary approaches of foresight was introduced. Further, capitalizing on the sound commitment of the government and considering the ACC's experiences, foresight was used to finalize the NIACS in April 2019. Foresight not only empowers to make long-term decisions in the wake of disruptions, but also equips with relevant, resilient, adaptable and responsive strategies

to tackle the uncertain environment that is inherently volatile, uncertain, complex and ambiguous. A week long foresight workshop engaged about 130 representatives from the Parliament, Judiciary, Constitutional bodies, Armed Forces, Ministries, Autonomous Agencies, Academia, LG, Private, Media, Civil Societies and Youth.

Four scenarios as depicted in **Figure 4** were framed along two dimensions of uncertainties and importance by analyzing the emerging issues, trends and causes from the perspective of Political, Economic, Social, Technological, Environmental, Legal and Values dimensions. These scenarios, chosen from the diverse deliberations and analysis of the future corruption scenario in Bhutan, were tested against the draft NIACS to analyze, deliberate and validate its readiness and relevance.

The NIACS was first presented to the Committee of Secretaries (CoS) and then adopted by the government for implementation.



FORESIGHT WORKSHOP



GROWTH BY BYPASS

A future in which Bhutan's external revenue streams cover diverse sectors and the politicians are proxies of vested interests:

- Bhutan has graduated to MIC & is WTO member
- Economic diversification under way
 - Politics clean on surface, but hijacked by vested interests
 - FDI has had positive impact on employment but side-lined some local businesses
 - New growth sectors are quietly solidifying the dominance of the business elite
 - Public services kept going at a satisfactory level to keep citizens content
- Imports decreasing, thanks to competitive local production
- Emergence of entrepreneurs-cum-community leaders that represent a counter- current to the corrupted political class.

4

POLITICS IN BLISS

A future in which Bhutan's external revenue streams cover diverse sectors and the politicians act independently and value-based:

- Citizens actively engage in the election process
- Politicians work in the public interest
- Women representation is at almost 50%
- Competent institutions (incl. CSOs & media)
- Diverse economy: hydropower, (eco-) tourism & organic farming, export of medicinal products
- FDI on the rise – investment friendly policies
- Automation & digitalization: completely removed routine tasks
- Trade enabled through digital payment systems
- Healthy lifestyles & sound healthcare services
- Waste management & clean drinking water
- Value-based education popular to foreign students
- Low unemployment (particularly among youth)
- Basic income ensured through social protection for the unemployed & marginalized

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KLEPTOCRATIC GOTHRIPS

A future in which Bhutan's external revenue streams depend on few major sectors and the politicians are proxies of vested interests:

- Politics captured by big money
- Business elite wields influence and manipulates elections
- Elite capture of business sector and natural resources
 - Sectors that promise quick and easy profit dominate the economy, others are neglected
 - Increased disaster risks
 - Skewed public procurement, poor public services – particularly in health
 - Inequality and social issues on the rise, leading to high crime and delinquency rates
- Murky investment deals combined with deliberate opaqueness of public expenditure data
- Agriculture a key source of income for common people, diaspora helps out
- New social movements emerging at community level, taking on self-governance where the Government is absent

3

DEPENDENT GURUS

A future in which Bhutan's external revenue streams depend on few major sectors and the politicians act independently and value based:

- Highly-educated and ethical politicians
- Citizen engagement and decentralized power
- Level of trust in governance system is high
- Scarce public resources are strategically invested
- Slow economic growth & diversification cause for dissatisfaction
- External revenue highly dependent, market stagnating, income gaps widening
- Significant immigration & limited livelihood opportunities for locals
- Economic stimulus through a relocation of administrative headquarters to the districts
- Rural health facilities & communication infrastructure improved
- Better quality of life in rural areas
- Foreign interference in internal matters & foreign policy

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Figure 4: Four scenarios from the foresight workshop

04.

FUTURE RISKS IDENTIFIED AS PART OF FORESIGHT

Strong internal controls deter and detect most forms of corruption, but people who are determined to be corrupt can morph their methods to circumvent sophisticated controls. Such people are further motivated with countries becoming borderless with globalization and technological advancement. Therefore, the foresight workshop helped in identifying the following potential corruption risks that Bhutan could face in the future:

- ❖ Corruption in climate change fund;
- ❖ Foreign influence in elections;
- ❖ Technology – crypto currency, cybercrime;
- ❖ Illegal foreign investments;
- ❖ Corruption in Civil Societies, Sports, Media, Religious Organizations;
- ❖ Threats posed by illicit networks – Organized crime groups;
- ❖ Corruption in handling clandestine activities – Intelligence, managing sources/informants; and
- ❖ Politicization of Constitutional bodies.

05. STRATEGIC OBJECTIVES

The NIACS has been prepared to foster collective alliance in the fight against corruption. Towards this, three strategic objectives have been identified as key priority areas to strengthen systems and institutional capacities, and promote ethical leadership, integrity and professionalism for building a happy, harmonious and corruption free society.



5.1. Transparent, accountable and integrity culture strengthened

One of the sustainable and effective anti-corruption measures is designing systems and building culture that facilitate individuals to practice professional values like trustworthiness, fairness, transparency and integrity in various professions. Towards this, concerted efforts are required to ensure:

1. Enhance political will and ethical competence of the leaders;
2. Reduce opportunities for corruption through strengthened systems and processes; and
3. Build strong coalition/partnership against corruption.

5.1.1. Enhance political will and ethical competence of the leaders

Leaders must set the right tone and send right signals. Exemplary leadership, willingness and commitment are not only the preconditions for promotion of integrity and effective fight against corruption, but also critical resource for fostering resilient organizational culture. Exemplary leaders adhere to the highest standards of integrity in their conduct and must be open to scrutiny. Leaders must champion and formulate anti-corruption and integrity policies to exhibit political will against corruption. This political will must be operationalized through national initiatives, encompassing policy and legal issues, translating them into tangible or identifiable programs and activities to control corruption. And these programs and activities must be implemented and monitored consciously for their long-term impacts.

Public officials (other than elected leaders) are also key drivers of the governance. They are long range game-players as opposed to elected leaders. Systems are as strong or as weak as the leaders. They must foster a culture of absolute intolerance to corruption and initiate organizational reforms embracing ethical values, meritocracy, integrity and professionalism.

In general, common citizens are the most affected by corruption. Hence, citizens must have the political will to uphold justice and act against corruption as empowered by the Constitution. Further, people must consciously distinguish ‘voice’ from ‘votes’. Citizens must demonstrate self-leadership and strong will to refrain, resist and report corruption.

5.1.2. Reduce opportunities for corruption through strengthened systems and processes

5.1.2.1. Political Governance



During the campaign, I have seen you tell the people that you are the servants of the people, and that the reason you have participated in politics is not for fame, power or wealth, but in service of the nation. These sentiments are to be appreciated, but as a new democracy, it is important to walk the talk. [...] A major challenge that our members of parliament will face will be that of corruption. You will do great service to our country and people if you take it as a special concern and prevent corruption from the very beginning.

- *His Majesty's Address during conferring of dakyen to the 2nd elected government, 2013*



Corruption in politics and electoral process is antithesis to a vibrant democracy as it undermines governance and threatens the rule of law. Since the introduction of Democratic Constitutional Monarchy in 2008, Bhutan has successfully completed its third parliamentary elections indicating deepened spirit of functional democracy. This is corroborated by the increase in the score of Varieties of Democracy Index. However, it gives no room for complacency as the NCBS 2016 reveals that 14% of the total respondents perceive that electoral fraud exists. Elections constitute a risk area for corruption. Already public perception on electoral fraud is developing such as vote buying, endorsing excessive number of party workers, spending undeclared finance, ferrying voters to polling stations or places of residence, altered ballots, use of government resources for electioneering by parties in power, counting irregularities and coercion of voters. On the other hand, voters are becoming more opportunistic and making material demands from parties and candidates.

More so, the risk of politically motivated manipulation of public policies and resources, and authorities looking after the interests of elite group of financial supporters is disastrous to the principles of democracy. The vested interests can be a key determinant for sidestepping policies to capture highest revenue generating sectors like hydropower and tourism. Undercutting in these sectors to expand foreign investments can also be a greatest threat to the sovereignty and security of the nation. However, the extent of the above risk is not well researched. Political parties must recognize threats of corruption in politics and urgently develop strategies to counter it.

Thus, it is important to take concerted actions to ensure that such undesirable practices are eliminated from the beginning and proactively devise integrity measures to assess and address corruption risks associated with electoral politics and policy capture. Policies and laws must be framed independently for the wellbeing of people without being influenced by certain interest groups.

5.1.2.2. Public Procurement

Given the huge public resources involved in procurement, strengthening and professionalizing public procurement function is key to prevent mismanagement/corruption. The capital budget outlay for construction of offices alone in the 12th FYP constitutes Nu. 2.27 billion. This is a small fraction of the total budget allocated for procurement of goods, services and works. Empirical study titled '*Towards enhanced Efficiency, Transparency and Accountability in Public Road Construction*' estimated an average annual loss of Nu. 78.14 million, extrapolated over six years (2010-2015), to corruption in the construction of roads alone. Majority of the allegations received by the ACC over the years are related to procurement (581 complaints from 2006 to 2018). For a small country with limited resources, such mismanagement of public funds would inhibit judicious use of public resources thereby increasing inequality. Further, bid steering through collusion undermines the quality of infrastructure developed, goods supplied and services delivered in addition to increased cost. Public procurement is prone to manipulation and capture by the economic elite. So it is important to ensure transparent, accountable, efficient and effective procurement function based on the principle of value for money.

5.1.2.3. Public Finance Management

Ensuring sound public finance management systems based on principles of integrity, transparency and accountability is expected to promote greater prudence, efficiency and effectiveness for sustainable socio-economic development. Corruption plays a major role in reducing revenues and leading to unwarranted expenditures/wastages. As per Annual Audit Report 2018, the total unresolved irregularities having financial implication amounted to Nu. 604.38 million of which 4.90% pertained to fraud, corruption and embezzlement. While the audit irregularities related to corruption appears insignificant, embezzlement is one of the significant corruption allegations reported to the ACC. Further, the NIA 2016 as compared to NIA 2012, indicate that the average frequency and amount of manipulation in the execution of budget for personal gains and to favor family and friends had doubled.

With the total capital outlay of Nu. 310.02 billion for the 12th FYP, an increase of 38.00% from the previous plan, it is imperative to adopt strategies to reduce revenue leakages and wasteful expenditures. On the other hand, the total public debt by the end of the 12th FYP is projected to touch Nu. 249.23 billion, which is about 87.60% of the estimated Gross Domestic Product (GDP). This requires concerted efforts to manage public finances in an efficient, effective, accountable and transparent manner including oversight mechanisms. Emerging technologies must be maximized to innovate and digitalize revenue mobilization and collection. Strengthening asset inventory and management must also be a priority to make supply chain more efficient, systematic and accountable.

5.1.2.4. Human Resource Management and Development



There is a risk that our public servants can become an impediment to national development and progress. The greatest danger will come from their complacency and indifference. Our public servants will fail in their duty if they do not learn from past mistakes and correct them, if they are unreceptive to feedback, if they lack accountability, if they are unresponsive to new ideas and solutions, if they have poor communication and coordination, or if organizations expand and multiply without direction or coherent vision. In this case, even our best intentions will bear no results. Instead, all we will have are missed opportunities and a debilitating waste of time and resources.

- *His Majesty's Address on the 111th National Day, 2018*



Human Resources (HR) are the vital assets that need to be fostered to create a transparent and accountable nation. The component on personnel management under the work integrity index of the NIA 2016 scored 8.52 out of 10, indicating a relatively good level of integrity. However, the empirical study titled '*Towards Enhanced Transparency and Accountability in Human Resource Management Processes in the Civil Service: A Matter of Favoritism*' revealed the pervasiveness of corruption in the Human Resource Management and Development (HRM&D) processes such as recruitment, training, promotion and transfer. The analysis revealed that corruption in the form of favoritism and abuse of functions are significant. This finding is corroborated by the significant number of complaints received by the ACC. Corruption in HRM&D generally creates an incompetent and unethical cadre of public servants, which negatively influence the quality of service delivery and judicious management of scarce resources. The above mentioned research also estimated the cost of corruption in the civil service to be at least Nu.17.90 million per year.

Hence, a culture of high standard of ethics and integrity in the public service must be promoted for enhanced public trust and confidence. Agencies must continue to strengthen HRM&D with fair, transparent and accountable processes/systems. Greater emphasis must be given in appointing leaders with immaculate track record, instituting integrity vetting system, and mainstreaming integrity policies and measures. HR audit must be conducted periodically in high-risk areas/agencies. Effective enforcement and timely compliance monitoring must be strictly carried out and deviant behaviors prevented through strong deterrence.

5.1.2.5. ICT based Public Services

ICT is changing the way individuals, societies and the world interact, communicate and behave. The potential of ICT is boundless and constrained only by the limits of human imagination. The government has identified 'Digital Drukyl' as one of the flagship programs in the 12th FYP with a budget outlay of Nu. 2.50 billion to transform common social services to e-governance platform. This is expected to substantially amplify integrity culture as digitalization of public services is one of the effective ways to reduce human interface and corruption opportunities, and enhance transparency, efficiency and effectiveness of public services. Integration of existing systems is critical to enhance consistency in information/data and ensure check and balance. ICT must be exploited as a means to crowd-source ethics and integrity initiatives and information gathering such as exposing corruption, fixing accountability and reporting feedback on the public services. In addition, distributed ledger technology – block chain and artificial intelligence are some untapped platforms to reduce corruption opportunities. However, it is also equally important to be mindful of the inherent challenges or risks of such technologies. Therefore, it is important to ensure audit trails for greater accountability thereby garnering public trust in the system.

5.1.2.6. Local Governance



Local government is NOT the lowest level of government; it is the nearest and closest level of government for our people. For rural Bhutanese, local governments are indispensable avenues for participation in democracy and development.

- His Majesty's Address during the Dhar Ceremony for Gups, 2011



Drawing from the above wisdom of His Majesty the King, the overall objective of the 12th FYP focuses on deepening and sustaining grassroots-based democratic, accountable and transparent governance system. It is envisioned that the objective be achieved by enhancing citizen's participation and strengthening the LG. Besides building capacities of the LG functionaries, the allocation of capital grants has been increased by 100% (Nu. 25.00 billion to Nu. 50.00 billion) in the 12th FYP to meet the increasing demand for public services. However, enhanced fiscal decentralization is expected to pose greater challenges in promoting integrity, transparency and accountability at the local level due to limited management capacities of the LG functionaries and weak citizens' participation in decision-making processes.

With 74 complaints (22.20%) against local government received by the ACC in 2018, the LG continues to remain vulnerable to corruption. So the LG functionaries must be capacitated to make right decisions and ensure transparent, accountable, professional and judicious management of resources. In addition, citizens must be empowered to constructively participate in policy prioritization, budget allocation, expenditure tracking and monitoring of results.

5.1.2.7. Corporate Governance

As Bhutan graduates to MIC status, diversification of the economy and upsurge in the flow of Foreign Direct Investment (FDI) is a certain phenomenon. World Bank's Ease of Doing Business 2019 placed Bhutan in the 81st position indicating improved environment for establishing businesses. However, more remains to be done, as there are growing signs of unethical business practices. Therefore, it is essential that measures are undertaken at the earliest to institute effective integrity measures and nurture ethical behavior among the businesses. With thriving economy, the number of entrepreneurs and use of digital economy in the country is expected to increase. These will possibly generate more revenue but in the process may erode values of ethics and integrity. Similarly, there is risk of elite expanding their businesses through bribery, tax evasion, illegal tax breaks, etc., which may be detrimental to the economy. As per World Economic Forum,

it is estimated that the cost of corruption equals more than 5% of global GDP with over USD 1.00 trillion paid in bribes each year. Moreover, powerful businesses will possibly marginalize small businesses, operate with cheap foreign workers and engage in illicit funding including illegal foreign investments and beneficial ownership schemes. All these activities will promote ‘crony capitalism’ in the country which inter-alia will hinder the growth of ethical businesses.

Consequently, significant measures must be taken to reduce corruption and coagulate the values of integrity. Embedding ethics and integrity measures in the businesses will reduce corruption cost, as corruption can be costly to the businesses. Likewise, enhancing integrity reduces the risk of undesirable prosecution as integrity promotion can be used as a possible defense against sanctions and lawsuit. Furthermore, avoiding corrupt/illicit practices will not only protect but also promote the brand and reputation of the businesses leading to sustained trust and confidence of the investors/shareholders.

5.1.2.8. Legal Framework



It is very important to ensure that corruption does not take hold in Bhutan, especially at this important juncture in our political development. Bhutanese people being compassionate by nature, tend to forgive others very easily. So, we should never forgive those who are guilty of giving or taking of bribery. Those guilty of corruption must be punished according to the law, without fear or favour, and unhampered by misplaced pity.

- HRH the Crown Prince's Address during public consultation on the Constitution in Dagana, 2006



Laws form the first and last line of defense against corruption. Effective laws and their indiscriminate enforcement must make corruption a high risk and low benefit venture. Much has been achieved in strengthening the legal and regulatory frameworks on corruption. Ratification of the UNCAC is a major achievement. The recommendations from the Country Review of UNCAC implementation need to be followed through such as enactment of Right to Information Act, MLA, Whistleblowers' Protection Act, Witness Protection Act, Statute of Limitation Act, Impeachment Act, Administrative Tribunal Act, Extradition Act, among others, to prevent and deter corruption effectively. In addition, obsolete and inconsistent laws must be reviewed and amended to plug legal deficiencies using regulatory impact assessment.

5.1.3. Build strong coalition/partnership against corruption

5.1.3.1. Media

Media has the important role of exposing as well as preventing corruption through promoting transparency, making administrators accountable and sensitizing issues of public concern. When media effectively perform their watchdog functions, incidences of corruption and social injustice will reduce. Besides, it has the potential to bring positive changes in the society through unbiased and independent reporting and fresh perspective on important national issues. On the contrary, media can be a tool to settle political vendetta, belittle sensitive issues, propagate interest driven propaganda and policies, and biased reporting. Similarly, media can equally cause adverse impact on the society, if the professionals are not adequately competent. Thus, media authorities and responsible agencies must strive to strengthen the capacity of media professionals and also create conducive environment in the form of media freedom, access to information and legislation for vibrant media.

5.1.3.2. CSOs/NGOs including Vulnerable Groups and Cooperatives

Since common citizens are the most affected by corruption, citizen bodies such as CSOs/NGOs, business communities and cooperatives have a big stake in actively and constructively engaging to ensure integrity in public service and curb corruption. However, at the moment, majority of these bodies focus on their primary mandate which does not necessarily contribute to reducing corruption. Considering direct association of these bodies with the citizens and their wider reach, taking up anti-corruption agenda alongside their primary responsibility will have immense impact in reducing corruption. These bodies can potentially undertake advocacy and oversight roles holding the public officials accountable. Engaging these groups will complement the agencies' role through joint efforts to address the common menace. In doing so, these bodies will be an impetus to promote a constructive society. For instance, citizen's active engagement and constructive criticism through various modes including social media has proven to be effective in some governance areas like policy prioritization, budget allocation, expenditure tracking and monitoring results. CSOs can also play an important role in representing the vulnerable groups and assist them to deal with corruption. Agencies must therefore create conducive environment for these bodies through enhanced legal and strategic partnership framework. It is equally important to provide the required resources to take up integrity promotion and anti-corruption functions.

5.1.3.3. Private Sector

With globalization and exposure to modern ICT facilities coupled with enhanced public-private interface, private sector is increasingly becoming vulnerable to unethical dealings and corrupt practices. Therefore, strengthening the governance of businesses in partnership with relevant public agencies will help gain credibility and contribute to the economy. Public sector cannot be clean if private sector is not clean or vice-versa. The public and private sectors need to collaborate to initiate institutional integrity measures. Further, regulatory agencies must act as a bridge to facilitate strong alliance against

corruption. The public agencies in turn will have to ensure that public-private transactions are efficient, accountable and transparent, and must create favorable conditions where businesses can operate at level playing field.

5.1.3.4. Political Parties

Political parties are expected to be independent and must not represent any interest groups. For a vibrant democracy, political parties must embody the highest ethical and moral values and have a zero tolerance stance towards corruption. Political parties must lead by example and institute strategies to conduct their internal party affairs transparently and in an accountable manner. Decisions made by politicians must be through a consultative process for the benefit of larger population. Political parties, irrespective of the election outcome, must actively participate in the development process by creating public awareness, assuming watchdog roles, providing constructive feedback, and recommending measures to promote integrity in the governance.

5.1.3.5. Spiritual Institutions

The role of spiritual institutions in promoting integrity and anti-corruption measures cannot be overlooked. Spiritual institutions can be tapped to create huge impact in moral and behavioral change as Bhutanese are generally spiritual. Among others, the spiritual institutions must advocate on values, ethics and anti-corruption using the concept of *karma* (cause and effect) and learning to live within one's legal means.

Therefore, spiritual institutions, with support of and in collaboration with relevant agencies, must engage in instilling values of integrity and incorruptibility in citizens and institutions. For wider reach and greater influence, various fora such as face-to-face lecture, interaction, dissemination through media, etc. can be used.

5.1.3.6. Law Enforcement and Regulatory Agencies



Every citizen has the right to equal and effective protection and recourse to the due process of law. But that it is also important to ensure that this sacred right is not abused in order to delay dispensation of justice. Such delay is detrimental not only to the judicial system and the strength of law, but also to the Royal Government and the people of Bhutan's efforts to keep Bhutan free of the scourge of corruption. Merit must be the only path to success in our country.

- **HRH the Crown Prince's Command on the AWP Corruption Case, 2007**



To ensure efficient and effective enforcement of laws, there is a need to strengthen coordination and collaboration among law enforcement and regulatory agencies. His Majesty the King has always highlighted that the State agencies must consult and work together in the best interest of the nation. Recognizing that law enforcement and regulatory agencies are working for a common cause, these agencies should never work in silos. Instead building strong national partnership will be useful in sharing timely information/intelligence, conducting joint investigation, and sharing best practices and specialized capacities. Further, working together closely can enhance the quality of legislation and resolve inconsistencies in the application of laws.

5.1.3.7. *Parliament*

Parliament represents the electorate, makes legislations and ensures that the government safeguards the national interests through review of policies and scrutiny of the State functions. Therefore, it is important that parliamentarians periodically liaise with law enforcement and regulatory agencies involved in tackling corruption and other related crimes. Parliamentarians must demonstrate their political will through their support to these agencies in not only reviewing, amending and enacting relevant laws but also providing other support as determined through consultation. Furthermore, parliamentarians can provide their support by overseeing the implementation of the systemic recommendations shared by these agencies. Besides, they must advocate the importance of fulfilling the fundamental duties to uphold justice and act against corruption.

5.1.3.8. *Youth*

Youth have the potential to raise moral standards through their creativity and innovative ideas. Young people have the capacity to demand and build transparent, efficient and accountable society. As majority of the youth are proficient in ICT, they must capitalize various social media platforms for innovative ideas to discuss anti-corruption measures with public agencies, wherever necessary. Malcolm Gladwell in defining the ‘law of the few’ states “the success of any kind of social epidemic is heavily dependent on the involvement of people with a particular and rare set of social gifts”. Youth possesses such capability to spread anti-corruption messages to various audiences through their massive social networks. More importantly, youth represents almost 50 percent of the Bhutanese population as per the Population and Housing Census of Bhutan 2017. Harnessing their potential and making them anti-corruption advocates is expected to avert the risks of youth going astray and bring positive changes in the society. Government’s role in engaging youth is extremely necessary given the need for enhanced transparency, accountability and effectiveness in governance.

5.1.3.9. *Regional and International Anti-Corruption Networks*

Corruption being a transnational crime, establishing networks with law enforcement and anti-corruption agencies in the region and abroad is critical. Such cooperation is required especially considering the increasing trends in economic activities, ICT advancement

and the possibility of the country being used as a conduit for illicit activities. Strong regional and international alliance will be useful in sharing timely information/intelligence, cross border investigation, forfeiture of proceeds of crime and extradition. Besides, the networks and the forums related to financial intelligence, law enforcement and anti-corruption agencies can facilitate the sharing of best practices and expertise through capacity development programs. It is important that national law enforcement agencies strengthen institutional linkages through conventions, treaties, agreements, MoUs, networks and joint programs. Additionally, regulatory and law enforcement officials must capitalize on platforms such as international trainings, conferences and workshops to build networks which will expedite sharing of information/intelligence and best practices.

5.2 Integrity consciousness enhanced



Laws and rules cannot govern every aspect of a person's life. Therefore, the role of the individual is far more important in deciding whether Bhutan will be a country that embraces the values of integrity and honesty or one that accepts corruption and dishonesty. It is not enough to be honest – there is no substitute to living by a simple rule 'I will not be corrupt and I will not tolerate corruption in others.

- *HRH the Crown Prince's Address during public consultation on the Constitution in Tsirang, 2006*



Sustained efforts to inculcate values of integrity through relevant and innovative educational programs are critical as corruption deteriorates universal human values. Building a value-based society is the most sustainable approach in the fight against corruption as individuals play a critical role in managing systems. Studies reveal that corruption occurs due to lack of moral values besides the opportunity provided by weak internal controls. Therefore, it is pertinent to promote ethics and integrity through:

5.2.1. Target specific trainings/sessions on ethics and integrity

Analysis of complaints related to corruption indicate that maximum allegations pertain to sectors/areas having more human interface and economic opportunities, among others. Therefore, it is imperative to enhance integrity consciousness among the public officials to act with the highest standard of integrity. Besides general advocacy and awareness programs, target specific trainings/sessions must be conducted. Ethics and integrity must be included in training modules for professional and career enhancement. Such modules are equally important for people involved in professional and trade associations. Refresher courses on ethics and integrity must also be conducted from time to time, especially for professions prone to corruption.

5.2.2. Value based educational programs for behavioral change

According to 'Integrity and Value Education in Schools 2012', 54.40% of the students agree that they have to lie/cheat occasionally in order to do well in life. This indicates that the values of honesty and integrity are deteriorating among youth. As recommended by the study, integrating value education in schools and universities curricula will yield rich dividends in the long run. Moreover, learning values comes through action and experiences. Parents have greater responsibility to be role models and augment the behavioral change programs. Therefore, value education must be integrated as part of the formal and non-formal education.

5.2.3. *Awareness on ethics and integrity by CSOs/NGOs, Media and Cooperatives*

With about 62.20% of the total population living in rural areas, it is critical to raise the level of awareness on values of integrity. This calls for greater participation of the CSOs/NGOs, Media and Cooperatives in promoting values of integrity given their wider network. However, as stated in the NCBS 2016, the engagement of CSOs/NGOs, Media and Cooperatives in promoting integrity culture has been weak due to limited capacity. Thus, there is a need to strengthen their capacities and optimize burgeoning CSOs/NGOs, Media and Cooperatives to safeguard the citizens from corruption victimization and in turn enable citizens to effectively participate in promoting good governance.

5.2.4. *ICT enabled learning platforms on ethics and integrity*

Towards generating lasting positive impact, there is the need to enhance optimization of technological advancement in developing intelligent, innovative and informative Information, Education and Communication materials on ethics and integrity. Besides, the use of data science, artificial intelligence, robotics, and social media, among others will help promote high talent mobility and fast learning evolution. Hence, it is important to be relevant and skillfully make use of the above platforms to maximize the benefits from these awareness programs.

5.3. Credibility and effectiveness of law enforcement and regulatory agencies enhanced



Without restitution, the perpetrators will enjoy the fruits of corruption after serving penal sentences.

- *His Majesty the 4th Druk Gyalpo, 1985*



To a great extent, controlling corruption depends on the effectiveness and credibility of the law enforcement and regulatory agencies. Law enforcement and regulatory agencies like the RAA, DRC, DoI, MoEA, RMA, MoAF, BNCA, DRA, etc. play a critical role in directly and/or indirectly controlling corruption besides the ACC, RBP, OAG and Judiciary. The credibility of these agencies depend on its institutional character, institutional capacity, resource adequacy and coordination among these agencies.

5.3.1. Institutional Character

Law enforcement and regulatory agencies must be guided with clear vision and commitment. Agencies, being mindful of the changing societal values driven by materialism, must incorporate ethics and integrity as quintessential principles in delivering their functions. Agencies must withstand any interference and strive to operate independently without any prejudices. Guaranteeing operational independence will ensure that agencies carry out their functions without fear or favor. Leadership plays a critical role in ensuring functional independence. Professionals working in these agencies must also demonstrate the highest standards of ethics, integrity, professionalism and lead by example.

5.3.2. Institutional Capacity

Leadership of these institutions must emphasize on continuous development of its human resources, infrastructure and systems to keep abreast with the changing environment. This will help the agencies to remain relevant considering inter-alia the fast-paced technological advancement, evolving modus operandi of perpetrators, and ingenuity of corruption typologies. For instance, with technological advancement and the general populace increasingly opting/using online/digital platforms, corrupt practices in the form of bribery through bitcoins or other crypto-currencies are inevitable. As such building capacities in areas which include but not limited to fraud & financial investigation, forensic accounting, computer & mobile forensics, intelligence led policing/investigation, money laundering, forfeiture of assets, risk based integrity management, informant handling,

intelligence and surveillance are increasingly required. Improving the professionalism of the agencies would be beneficial to address the lacunae in the existing laws and minimize inconsistencies.

5.3.3. Adequate Resources

The ability of the law enforcement and regulatory agencies to keep abreast with the evolving environment is contingent on the availability of necessary human and financial resources. While building human capacity and modern infrastructure are crucial to successfully tackle corruption, it is capital-intensive requiring technical expertise and robust infrastructure. Therefore, adequate resources are necessary to capacitate agencies to be effective in strengthening integrity culture and deter corruption.

5.3.4. Coordination

Corruption control through deterrence requires effective and efficient investigation, prosecution, adjudication and judgment implementation. The success of deterring corrupt practices will depend on how a case is managed from cradle to grave meaning completion of the cycle from investigation till enforcement of judgments by responsible agencies namely the ACC, RBP, OAG and Judiciary. Likewise, other law enforcement and regulatory agencies have critical roles to not only control corruption but also control other crimes facilitated through corrupt practices. This is imperative as they are mandated to ensure the safety of the nation by maintaining peace and order; securing borders; controlling illicit trade, black marketing & illegal foreign investments; controlling revenue leakage & money laundering; preserving natural resources & biodiversity; reducing red tape; providing timely justice; etc. Since corruption opens the floodgate to other crimes, it makes more sense to fight it through the joint effort of law enforcement and regulatory agencies. The effectiveness of this joint effort is not only dependent on individual capacities of the agencies but also on strong alliance among the agencies. Further, coordination among these agencies is expected to bring uniformity in the application of law.

IMPLEMENTATION, MONITORING AND EVALUATION MECHANISM

6.1. Implementation Action Plan

Corruption is complex and crosscutting that it demands continuous, comprehensive and collective effort to stop from becoming endemic. Therefore, all agencies, irrespective of public or private, have inherent responsibility to implement the NIACS in full spirit. The success of the NIACS depends on the commitment and ownership of the agencies to implement and sustain the momentum.

Heads of all agencies, including the Parliament, Judiciary, Ministries, Constitutional bodies, Autonomous Agencies, LG, Armed Forces, Corporations, CSOs/NGOs/ Cooperatives, Media and Private sector, shall implement integrity and anti-corruption activities as reflected in **Annexure 1**. However, the programs and activities are not exhaustive, thus agencies can include additional programs/activities depending on the mandate. The agencies' action plan derived from the NIACS shall become the OIP. In addition, the OIP shall include systemic recommendations, as and when shared by the relevant authorities. An OIP template is enclosed as **Annexure 2**.

6.2. Reporting

Agencies shall report on the implementation of the NIACS annually as follows:

- i. Annual Performance Agreement (APA) agencies to the GPMD through GPMS;
- ii. Annual Performance Target (APT) agencies to the GNHCS through GPMS; and
- iii. Non-budgetary agencies to the ACC through OIP.

Agencies that do not report through GPMS/OIP shall implement activities and report through respective annual reports, media or any other channels. This is expected to engender 'Whole of Society Approach' to enhance integrity culture. The agencies shall follow the reporting framework as given in **Figure 5**.

6.3. Monitoring and Evaluation

Monitoring and Evaluation (M&E) is an essential tool to assess the progress of each strategic objective outlined in the NIACS. A detailed M&E has been designed using logical framework to provide clear linkage and synergy with the 12th FYP (**Annexure 3**). Further, timely reporting and review are essential for effective implementation of the NIACS.

The Hon'ble Prime Minister champions the Government's anti-corruption drive, and thus oversees implementation of the NIACS. The Hon'ble Prime Minister shall hold the Cabinet Ministers and Heads of Agencies accountable for implementation of the NIACS in their respective agencies.

In order to ensure effective implementation of each strategic objective outlined in the NIACS, it is important to promote comprehensive, coordinated and integrated M&E mechanism. Different institutions have distinct and complimentary responsibilities for oversight, monitoring and reporting. Therefore, following governance structure has been established to oversee the implementation of the NIACS:

National Integrity Committee (NIC)

- i) *Responsibility:* The National Integrity Committee (NIC) shall provide strategic leadership and direction to sustain integrity measures as integral part of governance system. The NIC as the champion in driving integrity and anti-corruption agenda shall:
- foster holistic and collaborative platform for integrity initiative with wider representation from public, private and civil society sectors;
 - prioritize, adopt and provide strategic direction/guidance for successful implementation of the NIACS;
 - review progress of the NIACS implementation;
 - ensure consistent and comprehensive interventions to enhance integrity measures including rewards/sanctions;
 - report on the NIACS implementation to the Parliament through the State of the Nation Report; and
 - meet to discuss challenges/opportunities to promote integrity as and when required.
- ii) *Composition:* The NIC shall comprise the following members, led by the Hon'ble Prime Minister as the Chairperson to ensure holistic approach in building integrity culture:
1. Auditor General, RAA;
 2. Chairperson, RCSC;
 3. Chairperson, ACC;
 4. Chief Election Commissioner, ECB;
 5. Justice, Supreme Court;
 6. Attorney General, OAG;
 7. Cabinet Secretary;
 8. Secretary, MoEA;
 9. Secretary, MoF;
 10. Secretary, MoHCA;
 11. Secretary, GNHCS;
 12. President, BCCI; and
 13. Chairperson, CSOA Board.

- iii) *Meeting Frequency:* The NIC shall meet at least annually to discuss on the NIACS implementation. The IC upon completing annual review of NIACS implementation shall coordinate the meeting.

Committee of Secretaries (COS)

Recognizing the critical role of COS in enhancing the mainstreaming of integrity and anti-corruption measures, the IC will report and/or update the COS on the NIACS implementation at least once a year.

Integrity Committee (IC)

- i) *Responsibility:* The IC shall provide overall coordination support with the following responsibilities to:
- conduct bi-annual review on the NIACS implementation using GPMS to review APA & APT, and other agencies using OIP/Compacts/Reports;
 - consolidate implementation progress of the NIACS;
 - report and/or update annual progress of the NIACS implementation to the COS;
 - report annual progress of the NIACS implementation to the NIC for direction and/or any appropriate actions;
 - conduct evaluation of the NIACS twice in the plan period (mid-term and terminal); and
 - coordinate other initiatives under the NIACS.
- ii) *Composition:* The IC shall comprised the following members from the GNHCS, GPMD and ACC:
1. GNHCS:
 - i. Chief/Deputy Chief Planning Officer; and
 - ii. Senior/Planning Officer.
 2. GPMD:
 - i. Chief/Deputy Chief Program Officer; and
 - ii. Senior/Program Officer.
 3. ACC:
 - i. Director/Chief Integrity Promotion Officer; and
 - ii. Senior/Planning Officer.
- iii) *Meeting Frequency:* The IC shall meet at least by biannually.

GNHCS: The GNHCS shall ensure integration of the following three mandatory indicators (KPI) for all the budgetary agencies in the PlaMS/GPMS and translate to APT. The GNHCS shall review progress of the following mandatory indicators of the APT agencies:

1. Work, integrity, and leadership culture index;
2. Corruption, transparency and accountability index; and
3. Administrative sanction against public officials.

GPMD: The GPMD shall ensure implementation and review progress of the above mandatory indicators of APA agencies.

ACC: The ACC shall facilitate the GNHCS and GPMD in incorporating the mandatory indicators in the PlaMS/GPMS by developing OIP along with clear assessment criteria for monitoring and evaluation of the results. Further, the ACC shall gather the NIACS implementation reports annually from the non-budgetary agencies including Armed Forces, CSOs, Media and Corporations and Private sector. The ACC shall also report on the NIACS implementation status in its annual report to the Parliament.

Likewise, CSOs/NGOs, Cooperatives and Media will support in monitoring the NIACS implementation through social accountability processes, independent reports, public opinion surveys and other feedback mechanisms. **Figure 5** depicts the overall M&E framework for the NIACS implementation.

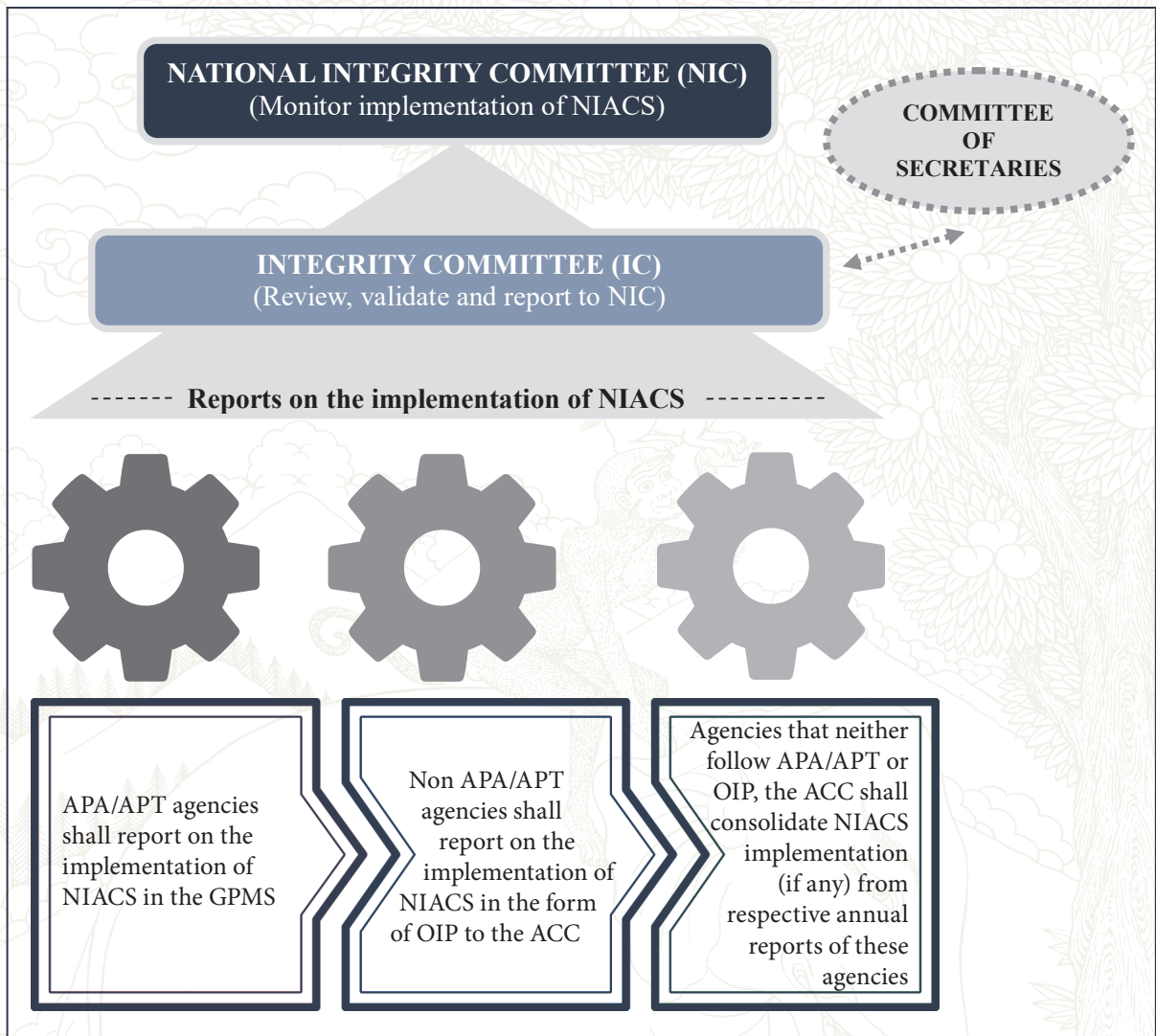


Figure 5: *The NIACS M&E framework*

07.

CONCLUSION

Strong commitment and collaboration among stakeholders are vital in building robust anti-corruption and integrity system in the country. As a custodian of the wellbeing of the society, our responsibility is to renew our pledge to create a safe, secure and cleaner future generation. Public agencies, media, CSOs, political parties, business communities and citizens must forge alliances against corruption. The collective efforts instituted through sharing of information and other resources will be more effective than their isolated initiatives. The agencies must operate with mutual trust and respect, with clarity of their respective roles, bound by the common vision to build a happy, harmonious and corruption free society.

Leadership based on high standard of ethics and integrity is crucial for setting the tone and direction. Equally important is the necessity for agencies to institute robust integrity systems managed by high-caliber professionals, to protect the interests of the State and society against corruption and build a culture of integrity. Values must be an integral part of the governance process as a sustainable and first line of defense against corruption.

Success of the NIACS will greatly depend on the unwavering commitment and ownership of the leaders and agencies in implementing the NIACS. The NIACS offers an effective platform for the Government and agencies to fight corruption collectively. The need for greater sense of shared responsibility and synergy in the fight against corruption is important as commanded by His Majesty the King (2006):



It is the responsibility of the officials and the authorities, and the duty of everyone to take full and equal responsibility to eradicate corruption from our country. Corruption encompasses those who take bribe, give bribe and not report to anyone about it. Despite the compassionate nature of Buddhist Bhutanese, corruption does not merit compassion. Corruption has become the root cause for suffering of the people and has even destroyed governments.



Annexure 1: Implementation Action Plan

Strategic Objective 1: Transparent, accountable & integrity culture strengthened

Enhance political will and ethical competence of the leaders

SN	Activity	Responsibility	MoV
1	Adopt and implement NIACS 2019-2023	Cabinet	Executive Order
2	Allocate dedicated budget to the agencies for anti-corruption initiatives/programs	MoF	Budget Code (OBC)
3	Allocate budget to the ACC not less than the previous year	MoF	Annual Budget
4	Enforce administrative sanctions	All Agencies	HR Records
5	Conduct ethical leadership trainings	All Agencies	HR Records
6	Lead implementation of Ethics and Integrity Management tools in the respective sector/agencies	All Agencies	APA/APT/OIP
7	Strengthen the role or identify integrity focal person	All Agencies	Office Order

Strategic Objective 1: Transparent, accountable & integrity culture strengthened

Reduce opportunities for corruption through strengthened systems and processes

SN	Activity	Responsibility	MoV
1	Conduct study on electoral & political corruption to identify systemic loopholes	ACC/ECB	Research Publication
2	Strengthen monitoring during elections involving CSO, Media & other relevant agencies	ECB/CSO/Media	Media Coverage/Website
3	Review and strengthen political financing system	ECB	Policy/Order
4	Strengthen declaration & management of assets, conflicts of interest and gift; code of conduct; grievance redress mechanism/whistleblowing avenues; etc.	All Agencies	APA/APT/OIP
5	Include/institute program on ethics, integrity & professionalism for the elected members	NA, NC & DLG	HR Records/Website
6	Conduct risk assessment in vulnerable services and implement recommendations emanating from proactive/reactive system studies, internal assessments, audits, etc.	All Agencies	APA/APT/OIP
7	Develop/enhance service delivery standards & communicate to users	All Agencies	APA/APT/OIP/Office Order
8	Institute open forum to disseminate HRC/Management decisions & enhance internal communication	All Agencies	APA/APT/OIP/MoM
9	Institute/strengthen internal audit mechanism/functions of internal audit	All Agencies	APA/APT/OIP/Office Order
10	Implement Integrity Vetting System/Fit and Proper Check	All Agencies	HR Records

Strategic Objective 1: Transparent, accountable & integrity culture strengthened

Reduce opportunities for corruption through strengthened systems and processes

SN	Activity	Responsibility	MoV
11	Strengthen e-GP and mainstream Integrity Pact, Conflicts of Interest and Debarment in the procurement process	MoF	e-GP system
12	Integrate existing online systems (such as e-GP, Asset Inventory Management System, PEMS, GPMS, MaX, CSIS, RAMIS, etc.)	Relevant Agencies	Online systems
13	Implement strategies to enhance transparency & accountability in Public Finance Management	MoF	Progress Report
14	Reduce human interface in public service delivery through optimization of e-Services	Cabinet	G2C/Website
15	Strengthen audit trails system to maintain confidentiality of data	All Agencies	Manuals
16	Conduct timely review of laws using regulatory impact assessment	Cabinet	RIA Report
17	Enhance the role of political parties, CSOs/NGOs, media & cooperatives in governance	All Agencies	Website/Report
18	Provide constructive feedback on governance	Political Parties/CSO/ NGO/ Media/ Cooperative	Website/Report
19	Conduct empirical anti-corruption research and follow up on the recommendations	ACC	Research Publication
20	Strengthen compliance to Service Regulations	All Agencies	HR Records
21	Enforce HR audit observations	RCSC/MoLHR	Audit Reports
22	Integrate social accountability tools in policy prioritization, planning, budgeting and results or resource monitoring	GNHCS/GPMD/ DLG	Policy/Order/ Report
23	Enhance check & balance mechanism in particular asset management	DLG/Gewogs	System/Report
24	Implement RAA Strategic Plan	RAA	Website/ Progress Report
25	Implement BIIB tools (BCoC, CIP, SET, Public-Private Forum)	MoEA/MoF/ MoLHR/RMA/ CDB/DHI/ BCCI/ ACC	BIIB Portal
26	Introduce ISO 37001: Anti-Bribery Management System for all Companies	BSB/ACC	BSB data/ Website
27	Integrate ethics and integrity programs as mandatory for contractors/suppliers/consultants	MoEA/MoF/ MoLHR/CDB/ ACC	Website/Report

Strategic Objective 1: Transparent, accountable & integrity culture strengthened

Reduce opportunities for corruption through strengthened systems and processes

SN	Activity	Responsibility	MoV
28	Introduce corporate liability provisions in relevant legislations	Parliament	Laws
29	Enforce sanctions for administrative lapses within private firms	Private Firms	HR Records
30	Enhance system of documentation on disciplinary actions taken	All Agencies	HR Database

Strategic Objective 1: Transparent, accountable & integrity culture strengthened

Build strong coalition/partnership against corruption

SN	Activity	Responsibility	MoV
1	Institute and communicate measures to fast track corruption cases (such as specialized corruption bench, specific time period, capacitate Judges)	Judiciary	Writ/Directives
2	Coordinate regular meetings to resolve issues of mutual interest (such as information sharing, uniform application of laws, etc)	Law Enforcement & Regulatory Agencies	ToR/Protocols/ MoM
3	Implement Justice Sector Strategic Plan (capacity/ resources & coordination)	Judiciary/OAG/ ACC/RBP/ Others	Review/ Progress Report
4	Enhance coordination & communication to manage implementation of judgment	OAG & ACC	MoM
5	Establish facilities & processes for seized properties management	OAG	SOP/Facility
6	Develop & implement communication and media strategy	ACC	Strategy Document
7	Create conducive environment for media through enhanced legal framework	MoIC/JAB	Laws
8	Build capacity of media on ethics, integrity & professionalism	MoIC/JAB/BMF/ ACC/CSO	HR Records
9	Strengthen Code of Conduct for Journalist	MoIC/JAB	Code of Conduct
10	Enhance proactive oversight functions & investigative reporting	Media	Media Coverage/ Website
11	Develop & implement Strategic Partnership Framework to enable active participation of CSO on integrity programs	CSOA, CSO & ACC	Strategy Document

Strategic Objective 2: Integrity consciousness enhanced

Target specific trainings/sessions on ethics and integrity

SN	Activity	Responsibility	MoV
1	Streamline application of social accountability tools	DLG & ACC	Website/ Report/ Notification
2	Develop and conduct target specific ethics and integrity programs, especially to professions/career prone to corruption	ACC	APT
3	Dedicate a day annually and sensitize on ethics, integrity and anti-corruption tools	All Agencies	APA/APT/OIP
4	Include ethics and integrity programs in respective training modules	All Agencies	Website/HR Records

Strategic Objective 2: Integrity consciousness enhanced

Value based educational programs for behavioral change

SN	Activity	Responsibility	MoV
1	Incorporate ethics and integrity principles in school and tertiary institution curricula	MoE/REC/ RUB/MoLHR/ JSWSL/ KGUMSB	Curricula/ Module
2	Maximize existing forums/clubs/committees in the school and tertiary institutes	MoE/REC/ RUB/MoLHR/ JSWSL/ KGUMSB	Calendar of Activities
3	Use social media platforms (such as hashtag challenge campaign)	ACC/CSO/ Youth	Social Media
4	Incorporate ethics and integrity principles in Bhutanese Student/Sports Associations/ Federations	MoE/BOC	APA/APT/OIP

Strategic Objective 2: Integrity consciousness enhanced

Awareness on ethics and integrity by CSOs/NGOs, Media and Cooperatives

SN	Activity	Responsibility	MoV
1	Enhance awareness of citizens to refrain from, resist and report corruption	CSO/NGO/ Cooperatives/ Spiritual Institutions/ Youth/ACC	Website/Report
2	Promote ethics and integrity through ICT platforms like crowd-sourcing, e-learning, etc.	ACC/Youth/ CSO	Website/Social Media/Apps

Strategic Objective 3: Credibility and effectiveness of law enforcement and regulatory agencies enhanced

Institutional Character

SN	Activity	Responsibility	MoV
1	Reinforce ethics and integrity measures through Organizational Integrity Plan	Law Enforcement & Regulatory Agencies	APA/APT/OIP
2	Conduct and implement recommendations of Anti-Corruption Strengthening Initiative and Organizational Climate Index	ACC	Review Report
3	Certify ACC services to ISO 9001:QMS	ACC	Certification
4	Institutionalize compliance auditing of core services	Law Enforcement & Regulatory Agencies	Compliance Audit Report
5	Institute feedback mechanism and review compliance to ISSAIs	RAA	Website/ Report

Strategic Objective 3: Credibility and effectiveness of law enforcement and regulatory agencies enhanced

Institutional Capacity and Resources

SN	Activity	Responsibility	MoV
1	Enhance social, physical and structural security	Law Enforcement & Regulatory Agencies	Motivational Schemes/ Infrastructure
2	Review and implement Institutional and Human Resource Development Plan		Plan Document
3	Strengthen anti-corruption M&E mechanism	ACC	M&E System

Strategic Objective 3: Credibility and effectiveness of law enforcement and regulatory agencies enhanced

Coordination

SN	Activity	Responsibility	MoV
1	Implement recommendations of UNCAC Country Review Report	Law Enforcement & Regulatory Agencies/CSO	Review Report
2	Assess and establish linkages with national, regional and international partners	Law Enforcement & Regulatory Agencies	MoU/ Convention/ Treaties

Annexure 2: OIP Template

Standard Organizational Integrity Plan					
Activity	Responsibility	Time Frame			Remarks
		FY 19-20	FY 20-21	FY21-22	
Strategic Objective 1: Transparent, accountable and integrity systems strengthened					
Output 1.1: Enhance political will and ethical competence of the leaders					
1.1.1. [Insert Activity]					
1.1.2. [Insert Activity]					
Output 1.2: Reduce opportunities for corruption through strengthened systems and processes					
1.2.1. [Insert Activity]					
1.2.2. [Insert Activity]					
Output 1.3: Build strong coalition/partnership against corruption					
1.3.1. [Insert Activity]					
1.3.2. [Insert Activity]					
Strategic Objective 2: Integrity consciousness enhanced					
Output 2.1: Target specific trainings/sessions and general awareness on ethics and integrity conducted					
2.1.1. [Insert Activity]					
2.1.2. [Insert Activity]					
Strategic Objective 3: Credibility and effectiveness of law enforcement and regulatory agencies enhanced					
Output 3.1: Institutional character, capacity and collaboration strengthened					
3.1.1. [Insert Activity]					
3.1.2. [Insert Activity]					

Annexure 3: Monitoring and Evaluation Matrix

Impact: Corruption Reduced

KPI	Description	Unit	Baseline/ Year	Target	Data Source	Data collection methodology	Frequency	Responsible Agency
Corruption Perception Index	The indicator tracks Bhutan's score on the Transparency International's Corruption Perception Index.	Score	68/2018	69	Transparency International	Survey	Annual	ACC
National Integrity Score	The indicator measures the transparency and accountability of public officials and public service delivery on a scale of 0-10 based on the national integrity assessment survey carried out every 3 years by NSB and ACC	Score	7.95/2016	8.5	NIA, ACC	Survey	Every third year	ACC

Strategic Objective 1: Transparent, accountable & integrity culture strengthened

KPI	Description of KPI	Unit	Baseline/Year	Target	Data Source	Data collection methodology & frequency	Lead Responsible Agency/s
Enhance political will and ethical competence of the leaders							
Share of budget to the anti-corruption initiatives	This indicator measures the average percentage of increase in the share of annual capital budget to the ACC and agencies in delivering anti-corruption initiatives/programs.	Percent	Not Available	More than 11	National Budget Report by the MoF	Administrative data & Annually	Cabinet / MoF
Action taken against public officials on administrative lapses	This indicator measures the percentage of total number of actions taken against the public officials vis-a-vis the number of administrative lapses occurred in an agency. Leaders must promote integrity in their agencies.	Percent	Not Available	Increase by 50	RCSC / DHI / MoF / MoEA / ACC	Administrative data & Annually	All Agencies

National Integrity and Anti-Corruption Strategy (2019-2023)

Developing Accountable, Moral and Transparent Systems and Individuals

Strategic Objective 1: Transparent, accountable & integrity culture strengthened						
KPI	Description of KPI	Unit	Baseline/Year	Target	Data Source	Lead Responsible Agency/s
Enhance political will and ethical competence of the leaders						
AD performance score	This indicator measures the percentage of performance score achieved by the agency in administration and management of AD based on the standard criteria prescribed by the ACC.	Percent	Not Available	95	Online AD System of the ACC	All Agencies
Reduce opportunities for corruption through strengthened systems and processes						
People's perception on electoral fraud	This indicator measures the percentage of people's perception on conduct of free and fair elections, including without being influenced by interest group.	Percent	14/2016	10	NCBS by the BTI	ECB / ACC
Work, integrity and leadership culture index	This indicator measures the integrity promotion initiatives/programs implemented in the agencies at individual, leadership and systemic levels.	Score	8.1/2016	8.5	NIA Report by the ACC	All Agencies
Corruption, transparency and accountability index	This indicator measures the level of transparency and accountability measures being implemented to prevent corruption in an organization.	Score	7.89/2016	8.5	NIA Report by the ACC	All Agencies
HR Audit Observation Reduced	The indicator measures the reduction in HR Audit observation as a result of streamlined functions of HR Committee and strict regulation of HR actions in Agencies.	Number	Major HR Audit Observation Annually: Ministries=02 Agencies=0.26 Dzongkhag=0.36/2017	Close to zero HR Audit Memos	HR Audit Report	RCSC

Strategic Objective 1: Transparent, accountable & integrity culture strengthened						
KPI	Description of KPI	Unit	Baseline/Year	Target	Data Source	Lead Responsible Agency/s
Reduce opportunities for corruption through strengthened systems and processes						
Integrity score for HR services in civil service	This indicator measures the level of integrity - transparency, accountability and corruption control in HR services of the agencies. An overall comprehensive score for HR services of civil service agencies will be generated. This is expected to be reduced through institutionalization of MaX system, parent agency framework, SOP for HR functions and BCSS.	Score	8.52/2016	8.5	NIA Report by the ACC	RCSC
Social accountability integrated into development plans and programs	This indicator measures the timeline by which the social accountability tools are integrated into the development policies, plans and programs.	Timeline	Not Available	2020	GNHCS & DLG/ GPMD	GNHCS / DLG/ GPMD
High Quality audit service delivered	% of audits conducted as per ISSAIs	Percent	Not Available	40% of Audits from Annual Audit Schedule	Annual Review Report	RAA
Proportion of audit recommendations implemented	Percentage of Audit issues resolved after issuance of audit report will be considered in this indicator	Percent	Not Available	50	Annual Review Report	RAA
Bhutan's score in Institution Pillar of Global Competitiveness Index	This indicator measures the improvement of Bhutan's score in the pillar – institution of the Global Competitiveness Index.	Score	4.7/2017	5.3	Global Competitiveness Report by World Economic Forum	MoEA / MoLHR / MoF / CDB / ACC / DHI / BCCI

National Integrity and Anti-Corruption Strategy (2019-2023)

Developing Accountable, Moral and Transparent Systems and Individuals

Strategic Objective 1: Transparent, accountable & integrity culture strengthened						
KPI	Description of KPI	Unit	Baseline/ Year	Target	Data Source	Lead Responsible Agency/s
Build strong coalition/partnership against corruption						
Mechanism/s to fast track corruption cases	This indicator measures the timeline by which mechanism/s established and implemented by the Judiciary to fast track corruption cases.	Timeline	Not Available	2020	Annual Report of Judiciary	Judiciary
TAT for reviewing & registering corruption cases in the Court	This indicator measures the average time taken by the OAG to review and register a case in the Court from the date of case referral by the ACC.	Month	9 months/2016	Less than 6 months	Annual Report of the OAG	OAG
TAT for implementing court judgments on corruption cases	This indicator measures the average time taken by the OAG to implement the Court judgments on corruption cases from the date of the Court rendering the final judgments.	Month	Not Available	3 - 6 months	Annual Report of the OAG	OAG
People's perception on effectiveness of Media in preventing corruption	This indicator measures the perception of public on the effectiveness of media in preventing corruption. The survey indicates to what extent the media can play an active role in promoting integrity and exposing corruption issues for wider awareness and deterrence in the society.	Percent	14.8/2016	10	NCBS by the BTI	MoIC / JAB / BMF / Media / ACC
Proportion of CSOs promoting transparency & accountability	This indicator measures the proportion of CSOs promoting transparency and accountability in the field of their respective mandates against the total registered CSOs.	Percent	Not Available	50	Annual Reports of the CSOs	CSOA / ACC

National Integrity and Anti-Corruption Strategy (2019-2023)

Developing Accountable, Moral and Transparent Systems and Individuals

Strategic Objective 2: Integrity consciousness enhanced							
KPI	Description of KPI	Unit	Baseline/ Year	Target	Data Source	Data collection methodology & frequency	Lead Responsible Agency/s
Citizen's experience in offering bribes to public officials	This indicator measures the percentage of citizens admitting to have bribed public officials from the total respondents.	Percent	10.2/2016	5.1	NCBS by the BTI	Survey & Every third year	ACC
Citizen reporting solicitation of bribes	This indicator measures the percentage of citizens reporting the solicitation of bribes vis-à-vis actual number of bribes taken by public officials to the concerned authority.	Percent	Not Available	Improve by 50	NIA Report by the ACC	Survey & Every third year	ACC
Administrative sanctions against public officials	This indicator measures the percentage of public officials against whom actions have been taken for administrative lapses vis-a-vis total administrative lapses occurred.	Percent	Not Available	Reduce by 50	RCSC / DHI / MoF / MoEA / ACC	Administrative data & Annually	All Agencies
Children & youth's opinion on moral and ethical values	This indicator measures the percentage of children and youth's misconception that one has to 'lie or cheat at least occasionally in order to do well in life'.	Percent	54.4/2012	27	Integrity & Value Education Report by ACC	Survey & once in the year 2022	MoE/REC/RUB/ MoLHR / JSWSL/ KGUMSB

National Integrity and Anti-Corruption Strategy (2019-2023)

Developing Accountable, Moral and Transparent Systems and Individuals

Strategic Objective 3: Credibility and effectiveness of law enforcement and regulatory agencies enhanced							
KPI	Description of KPI	Unit	Baseline/ Year	Target	Data Source	Data collection methodology & frequency	Lead Responsible Agency/s
ACC's performance score	This indicator measures the effectiveness of the ACC's performance in delivering its core mandates assessed by the Anti-Corruption Agency Strengthening Initiative Report.	Percent	72/2015	85	ACA Strengthening Initiative Report by the BTI	External Assessment & twice in the FYP	ACC
People's perception towards ACC's effectiveness	This indicator measures the percentage of people's opinion on how effectively ACC is delivering its mandate from the total number of respondents.	Percent	48/2017	55	NIA Report by the ACC	Survey & Every third year	ACC
Stakeholder satisfaction score of RAA	This indicator measures the satisfaction level of stakeholders. The stakeholders range from the primary beneficiaries of our services to the other oversight and watchdog institutions, decision makers and those charged with governance.	Percent	78/2016	80	Stakeholder Satisfaction Survey report of RAA	Survey & twice in 5 years.	RAA

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