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ROYAL GOVERNMENT OF BHUTAN

Cabinet Secretary

C-3/41(10)/2025/390

January 17, 2025

Director
Office of Cabinet Affairs and Strategic Coordination
Thimphu

Sub: Directive on Revised Protocol for Policy Formulation and Consolidation

Dear *Chencho*,

This is in reference to the note on the revised protocol for Policy Formulation and Policy Consolidation, following the directive issued via letter C-3/34(10)/2024/313 dated November 26, 2024.

In this regard, the Lhengye Zhungtshog has approved the proposal with the following directives:

1. Approval of the policy definition, along with the streamlined Protocol for Policy Formulation.
2. Endorsement of the GNH Policy Screening Tool, with the inclusion of the screening mechanism/process in the Revised Protocol for Policy Formulation under Clause (ii) under Chapter 5 on Implementation, to ensure its continued application in policy assessment.
3. The proposal for the consolidation of 51 existing policies, including draft policies, into 20 thematic policies was submitted for approval. However, the Cabinet directed that consolidation can proceed, but it is not necessary for all 51 existing policies to be consolidated into exactly 20 thematic policies.

This has reference to the 41st Session of the Fourth Lhengye Zhungtshog held on January 17, 2025.

Warm regards,

Kayde
(Kessang Deki)

Copy to:

1. PS to the Hon'ble Prime Minister, Gyalyong Tshogkhang



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Protocol for Policy Formulation

1. Definition of Public Policy

Public policy is a set of guiding principles and decisions that outline the government's approach to addressing specific issues or set of issues and leveraging opportunities for public benefit. Policies are generally broad and long-term, providing a framework within which specific actions can be taken. Policies set the "what" and the "why" but often leave the "how" to be determined.

2. Origin of Policy Proposals

Proposals to formulate/revise public policies in Bhutan can originate from the *Lhengye Zhungtshog* (Cabinet), and Sectors.

3. Scope of the Protocol for Policy Formulation

This protocol shall apply to formulation or revision, approval and adoption of public policies irrespective of their origin with exception to those policies formulated under the Royal Command or due to National Exigencies.

4. Policy Formulation Protocol

- 4.1 For purposes of proper planning the conception and formulation of policies will be undertaken periodically and revision of policies can be undertaken as and when required.
- 4.2 All Policies/concept notes originating from the Sectors must be routed through their respective Policy and Planning Division (PPDs), who shall be the focal points for policy coordination.
- 4.3 All Policy concept notes shall be submitted to the Office of Cabinet Affairs and Strategic Coordination (OCASC) for review.
- 4.4 The OCASC will submit policy Concept Note and recommendations to the Cabinet for approval.
- 4.5 The Cabinet will approve/ reject the Policy concept notes and accordingly forward its comments to the proponent through the OCASC.



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4.6 The formulation/ revision of any policy will be undertaken in two stages

Stage One: Policy conception stage

Stage Two: Policy formulation and approval stage

4.7 Proponents desiring to formulate or revise a Policy shall do so only after the approval of the Policy concept note by the Cabinet.

5. Policy Formulation/Revision

5.1 Stage 1: Policy Conception Stage

- 5.1.1 The proposal to formulate/revise any Policy will begin with the preparation of concept note maximum five pages as per the format prescribed in Annexure A, by the proponent.
- 5.1.2 The concept note will be submitted to the OCASC by the proponent.
- 5.1.3 The OCASC will submit the concept note to the Cabinet for approval. The submission will include recommendations/ views/ comments on the concept note.
- 5.1.4 The Cabinet may either approve/ reject the concept note or seek further clarifications from the proponent or OCASC based on which approval/ rejection can be made.
- 5.1.5 Approval/ rejection of the concept note will be conveyed to the proponent through OCASC.
- 5.1.6 Upon approval of the concept note (with changes as directed by the Cabinet) the proponent may commence formulation/ revision of the policy.

5.2 Stage 2: Policy Formulation and Approval Stage

- 5.2.1 The proponent shall commence formulation/ revision of the draft policy after receiving approval on the concept note from the Cabinet.
- 5.2.2 While formulating/ revising the draft Policy, proponents should ensure that as a minimum:
 - i. all policy alternatives have been considered;
 - ii. all cross-cutting issues such as gender, environment, climate change, disaster and poverty, and others are integrated within the policy;



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- iii. all relevant stakeholders who may be affected by the policy are consulted;
and
 - iv. there is no conflict between the proposed policy and other existing policies,
laws and regulations.
- 5.2.3 After formulation/ revision, the concerned proponent shall submit the proposed draft Policy to the OCASC along with Policy Protocol Report as per the format specified in Annexure B
- 5.2.4 The draft policy shall also be made available for comments on a public domain (web-based or other means) and shared with relevant Research Institutes and key stakeholders including those mainstreaming cross-cutting issues.
- 5.2.5 With the formal submission of the above documents to the OCASC, the relevant division of the OCASC shall review the draft Policy and provide feedback/ comments to the proponent. When required, the proponent will make a presentation of the draft policy to the OCASC.
- 5.2.6 The proponent can either incorporate the comments/ feedback or seek further clarification from the OCASC. If required, bilateral discussion can be held between the proponent, key stakeholders and OCASC.
- 5.2.7 Upon incorporation of the comments agreed on between the sector and OCASC, the revised draft policy shall be subjected to the Gross National Happiness (GNH) Policy Screening Tool¹ by the proponent sector and OCASC (as two separate exercises):
- i. Prior to screening of a draft Policy, a bilateral session shall be held between the proponent sector and the OCASC on the relevance of certain GNH indicators against the Policy in question.

¹ The *GNH Policy Screening Tool* will be updated periodically in consultation with the Center for Bhutan and GNH Studies.



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- ii. The screening shall be undertaken individually by those participating in the screening exercise (The revised draft policy and Screening Tool to be shared a few days prior to the meeting).
 - iii. A diverse mix of stakeholders shall participate, numbering to at least 10-15 participants.
 - iv. The sectoral focal points for gender, environment, climate change, disaster and poverty and other cross-cutting issues (if there are such focal points appointed) and other external key stakeholders shall be involved in the screening exercise.
- 5.2.8 The proponent will submit their individual and consolidated GNH Screening results to the OCASC. All rationales and mitigation measures need to be duly completed.
- 5.2.9 The OCASC will also conduct a GNH Screening of the Policy.
- 5.2.10 The revised draft Policy document and the screening results shall be submitted to the Cabinet through the OCASC. The presentation of the draft Policy to the Cabinet will be done by the proponent, the OCASC will present both the GNH Screening results and additional comments, if any
- 5.2.11 The Cabinet shall either endorse the draft Policy as submitted, recommend further review which may be through the institutionalisation of timebound taskforce, accord endorsement subject to revisions, or provide additional directives.
- 5.2.12 If instituted, the taskforce shall present its recommendations to the Cabinet for review.
- 5.2.13 If endorsed, the Cabinet shall issue a directive to the proponent to revise the draft Policy based on the recommendation of the taskforce.
- 5.2.14 The proponent shall revise draft Policy according to the directives received from the Cabinet and submit a copy of the revised draft Policy to the OCASC to ensure all directives of Cabinet have been incorporated.



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- 5.2.15 The revised draft Policy shall be submitted to the Cabinet for approval through the OCASC.
- 5.2.16 The Cabinet shall convey approval of the draft Policy or issues further directives to the proponent through OCASC.
- 5.2.17 If there are major revisions to the draft policy, the Cabinet can subject the draft Policy to the following before according approval:
- The re-application of the entire Policy Protocol or
 - An additional review by the OCASC or
 - A re-application of the GNH Policy Screening Tool.
- 5.2.18 The approved policy shall be implemented by the proponent/ agency identified within the Policy.

6 Policy Adoption, Implementation, Monitoring and Evaluation

6.1 Policy Adoption and Implementation

- 6.1.1 The proponent/ agency shall develop and submit Policy Action Plan for implementation of the policy to the OCASC.
- 6.1.2 The Policy Action Plan should identify realistic activities to be implemented by responsible agencies, along with an indicative budget and timeframe. The proposed activities should be categorised into immediate, medium-term, and long-term actions.
- 6.1.3 The OCASC shall seek endorsement of the Policy Action Plan from the Cabinet.
- 6.1.4 The proponent agency shall implement the approved policy based on the endorsed Policy Action Plan.

6.2 Policy Monitoring and Evaluation

- 6.2.1 Based on the endorsed Policy Action Plan, implementation shall be monitored according to the Policy Monitoring Framework.



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6.2.2 The OCASC shall carry out post-adoption/ex-post evaluation of Policies. The findings of the evaluations shall be used to refine Policies.

7 Policy Repeal Process

- 7.1 If a policy becomes obsolete or irrelevant, the responsible sector or agency shall formally request the Cabinet to repeal it.
- 7.2 The OCASC shall review the relevance of the policy and submit its recommendation to the Cabinet for approval.
- 7.3 The Cabinet will either approve or reject the repeal request.
- 7.4 If the repeal request is approved, the Cabinet shall convey its approval to the responsible sector or agency through the OCASC.
- 7.5 If the repeal request is rejected, the Cabinet may direct the responsible sector or agency to amend and update the policy according to the established protocol to ensure its continued relevance.



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Annexures

Annexure A: Format for Submission of Policy Concept Note

The formulation of any policy will begin with approval of the Concept Note by the Cabinet. The primary purpose of the concept note is to provide convincing arguments on the existence of pertinent issues that need to be resolved and to justify the need for a new policy/ revision of an existing policy. The note should be succinct and understandable. As a minimum the concept note should clearly state the following:

i. Context and Background

This section should mention the reason/ rationale for proposing a new policy or revising an existing policy.

- Is the proposed policy an outcome of government directives, if so which directive?
- What are the major issues the proposed new policy/ policy revision intends to address? What are the root causes of the issues in question?
- What are the implications if the issues are not addressed?

ii. Critique of current policy options and approaches:

Briefly explain the shortcomings/ failing of the current approaches (policy/ act/ regulation/ others) or the limitations posed by the absence of the policy in addressing the issue(s).

iii. Policy Recommendations

- Briefly explain how the proposed new policy/ policy revision will address the shortcomings of the current approaches/ regulations/ policy or the limitations posed by the absence of the policy.
- Briefly explain the major costs and benefits that may arise out of the policy in terms of resources (physical, financial, human, and others) and processes that will result with the proposed new policy/ policy revision.



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ROYAL GOVERNMENT OF BHUTAN
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iv. Integration of GNH and cross cutting issues

- What are the opportunities and challenges pertaining to GNH, gender, environment, climate change, disaster and poverty, and other cross-cutting issues that may arise from the proposed new policy/ policy revision?
- Briefly describe how the policy will make use of the opportunities or mitigate the challenges that may arise with respect to GNH, gender, environment, climate change, disaster and poverty, and other cross-cutting issues by adopting this policy

v. Process and indicative timeline

- Provide details on the process and indicative timeline that will be followed developing the policy including likely need/ use of Technical Assistance (TA). If TA is to be used, the ToR must be shared with OCASC for comments.
- Briefly provide details on policies/ acts/ regulations that may conflict with the proposed new policy/ policy revision and explain how the conflict will be resolved.
- List of stakeholders who will be consulted.

vi. Major impediments or risks foreseen in the development of the Policy



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Annexure B: Format for Policy Protocol Report

1. Title Page

- a. Title of the Policy
- b. Name and contact details of the organization submitting the issue
- c. Name and contact details of the focal point
- d. Date of submission

2. Background and Context

- a. Current situation: Provide a brief overview of major issues, their root causes, and implications if not addressed.
- b. Current approaches and options: Provide a brief overview of the existing approaches (rules/ regulations/ acts/ policy) that currently exist.
- c. Critique of the current approaches/ options: Provide a brief overview of the shortcomings or limitations of the current options or approaches in addressing the issue.
- d. Provide brief information of Prior Government Decisions/ Orders. Kindly mention References, etc.

3. Policy Recommendations

- a. Provide a brief overview on how the proposed policy will address the issues in question.
- b. Briefly explain the major costs and benefits that may arise out of the policy in terms of resources (physical, financial, human, and others) and processes that will result with the proposed new policy/ policy revision.

4. Research and Findings

- a. Mention any studies, appraisals, etc. carried out on issues related to the proposed Policy along with key findings and recommendations.
- b. Attach copies of the studies and reports referred.



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ROYAL GOVERNMENT OF BHUTAN
Cabinet Secretariat
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5. Integration of GNH and Other Cross-Cutting Issues

- a. What are the opportunities and challenges pertaining to GNH, gender, environment, climate change, disaster and poverty, and other cross-cutting issues that may arise from the proposed new policy/ policy revision?
- b. Briefly describe how the policy will make use of the opportunities or mitigate the challenges that may arise with respect to GNH, gender, environment, climate change, disaster and poverty, and other cross-cutting issues by adopting this policy.

6. Other Implications

- a. State any other implications (legislative, financial, social, administrative, political, institutional, etc.)

7. Consultations

- a. Consultation Process with other stakeholders/ organisations – Provide a list of the stakeholders and organisations consulted.
- b. State controversial issues, key findings and recommendations from the consultation process.

8. Attach a copy of the proposed policy