Review of National Public Policy Framework

Royal Institute for Governance and Strategic Studies
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List of Acronyms

CBS	:	Centre for Bhutan and GNH Studies
C4CS	:	Committee of Four Coordinating Secretaries
CEO	:	Chief Executive Officer
DHI	:	Druk Holding and Investments Limited
EDP	:	Economic Development Policy
EXCEL	:	Leadership Course for Executive Candidates
FYP	:	Five Year Plan
GMC	:	Gelephu Mindfulness City
GNH	:	Gross National Happiness
GNHC	:	Gross National Happiness Commission
ICT	:	Information and Communication Technology
OCASC	:	Office of Cabinet Affairs and Strategic Coordination
NCPD	:	National Policy Coordination Division
NDI	:	National Digital Identity
PDP	:	People's Democratic Party
PPD	:	Policy and Planning Division
RCSC	:	Royal Civil Service Commission
SCBA	:	Social Cost Benefit Analysis
RIM	:	Royal Institute for Management
RIGSS	:	Royal Institute for Governance and Strategic Studies
RUB	:	Royal University of Bhutan
ToR	:	Terms of Reference
UWICE	:	Ugyen Wangchuck Institute for Conservation and Environment

Acknowledgement

The Royal Institute for Governance and Strategic Studies (RIGSS) is thankful to the Cabinet Secretariat for entrusting the institute to carry out this review exercise of the public policy landscape in the country. The institute is equally thankful to Professor Robert Klitgaard of the Claremont Graduate University, policy expert and visiting faculty at RIGSS, for spearheading this review project.

RIGSS would also like to acknowledge the contribution of the 86 Chiefs from the civil service for analysing the policies and the policy process as a part of the Leadership Course for Executive Candidates (EXCEL) programme they attended. Their work provided useful information and insights, which are incorporated as appropriate in this report.

RIGSS is equally thankful to the Government Secretaries and the CEOs of Druk Holding and Investments (DHI) companies and State-Owned Enterprises (SoEs) for their participation in the consultation meetings pertaining to this exercise. Their perspectives have been very useful in shaping the direction and scope of the analysis.

Additionally, RIGSS is grateful to the Office of Cabinet Affairs and Strategic Coordination (OCASC) for providing all the necessary materials and information pertaining to public policies in Bhutan. Their support and input have been crucial in ensuring the completeness of the report to address the issues highlighted in the project proposal.

Finally, we are thankful to any other individuals and agencies whose support would have directly or indirectly contributed to this work. We are hopeful that the findings and recommendations proposed in this report would greatly strengthen and streamline Bhutan's policy process for the effective advancement of public policies and governance in Bhutan.

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Executive Summary

The Royal Institute for Governance and Strategic Studies (RIGSS) was entrusted by the Office of Cabinet Affairs and Strategic Coordination (OCASC), Cabinet Secretariat to carry out a review of the national public policy framework to help assess the existing policy landscape in the country to improve the efficacy and effectiveness of policy implementation. More specifically, the proposal asked for the following three questions to be addressed:

1. Review the existing definition and scope of public policy and establish clear definition and scope of public policy for our context;

2. Review existing policy framework, protocol and their efficacy, including relevance of the existing policies;

3. Based on the above, develop a robust policy framework that shall guide future policy formulation and consolidation and harmonisation of existing policies.

Accordingly, RIGSS carried out the review exercise with Professor Robert Klitgaard, a policy expert from the Claremont Graduate University in California, leading the project. Additionally, 86 chiefs from the civil service were involved in this assignment as a part of the Leadership Course for Executive Candidates (EXCEL) programme they attended. Key stakeholders were also consulted.

A public policy is defined in myriad ways around the world depending on the context and on how other related terminologies are used. There is no one standard universal definition that could exactly specify its meaning or scope. After careful review, a set of definitions are proposed that could guide policy makers in Bhutan distinguish a public policy from a strategy, plan, programme, project, or guidelines.

> A (public) policy is a set of principles that outline the government's approach towards a particular issue or set of issues that are of national concern and having cross-sectoral externalities. 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.

The following schematic diagram could be a useful guide to better understand the relation and usage of the various related terminologies:

GUIDELINES

STRATEGY

POLICY

PLAN

PROGRAMMES

PROJECTS

GUIDELINES

It is important that policy makers or agencies involved in the policy formulation process are on the same page in their understanding, interpretation, and usage of these definitions; there is no one textbook definition that can be used across contexts or countries.

The project closely examined the current policy framework, highlighting the challenges in the policy process as it exists in Bhutan today. Some of the key challenges pertain to problem identification, research and data, stakeholder engagement, Gross National Happiness (GNH) screening, and monitoring and evaluation. Various measures are recommended to strengthen the policy process including some fundamental measures. These include constituting a dedicated team of professionals to guide policy formulation, ensuring the attendance of relevant officials at consultation meetings, widening stakeholder participation,

standardising policy format, aggressive policy education and advocacy, and dynamism and policy interactions. To make the GNH screening process more effective, it is proposed that the screening be carried out by a committee of policy and domain experts and not just any officials. An alternative to the seemingly complex and cumbersome screening of every policy against 22 GNH determinants could be for the proposed committee of experts to screen the policies against the nine domains of GNH.

All the existing policies were examined for their relevance, alignment with the transformation goals, and potential for harmonisation and consolidation. The review exercise identified possible opportunities for consolidation though further vetting and consultation with key stakeholders are recommended. The report highlights the possible areas of consolidation, and if it works out as proposed, all the existing policies in the country (about 51) could be consolidated to a total of 20 public policies across the four clusters. It is recommended that one pilot consolidation exercise be carried out to gauge the feasibility and practicality prior to mass consolidation of policies. The Economic Development Policy (EDP) could be a good policy for this exercise given the current focus on economic development.

To foster a dynamic, agile and inclusive policy process that draws from the policy successes both within and outside the country, it is proposed that The Prime Minister's Annual/Biennial GNH Review be instituted. This could be spearheaded by OCASC as a mechanism to assess the impact of policies on GNH in a holistic manner and to gauge effectiveness of public policies on a periodic basis. Additionally, the institution of a National Public Policy Forum is proposed as a platform to foster policy dialogues, policy communication and policy education. Possibly spearheaded by a think tank such as RIGSS or CBS, and supported by the Prime Minister's Office, this initiative could significantly enhance transparency, foster broader stakeholder engagement, and ensure the integration of diverse perspectives into the policymaking process, supporting the continuous evolution and effectiveness of Bhutan's public policies.

Background

Bhutan's policy formulation process primarily comprises two stages – the concept note stage and the draft policy stage. Upon approval of the concept note by OCASC, a draft policy is formulated by the agency proposing the policy which is then screened using the GNH Screening tool. After screening and verification, the policies are then recommended for approval by the Cabinet.

The GNH screening of policies is an important part of the policy formulation and approval process in Bhutan. The GNH Policy Screening tool was developed by the Centre for Bhutan and GNH Studies (CBS) to mainstream GNH into the national planning process after completing the first GNH Survey 2007-2008.[1] All the proposed policies have to go through the GNH screening process.

It is a framework for undertaking a holistic assessment of the potential unintended consequences of proposed policies on various aspects of GNH. The tool was created to assist policy makers and programme managers in determining how well their proposed policies correspond with a selected list of 22 GNH determinants. A policy is considered GNH favourable if it scores a minimum of 66 points out of 100. Not meeting this minimum cut-off point does not necessarily lead to a policy's outright rejection; it rather offers an opportunity for the proponent to come up with measures to mitigate the possible negative effects of the proposed policy on any GNH parameters.

With the introduction of GNH in the early 1970s by the fourth Druk Gyalpo, the idea of sustainable development encompassed a comprehensive approach to progress, emphasising the importance of both economic and non-economic aspects of well-being and happiness. Thus, the GNH indicators include determinants that comprise traditional areas of socio-economic concerns such as living standards, health and

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[1] Dorji Penjore, "GNH Screening Tool, Framework for Integrating Gross National Happiness into Planning Process", 2008, p.5

education and other non-economic aspects such as culture, environment, community vitality and psychological well-being.

While a fairly established process exists for policy formulation in Bhutan, the process needs to be professionalised and strengthened to make it more efficient and effective. In the past, the GNH Commission (GNHC) used to oversee the entire policy formulation process. However, with its dissolution as a part of the recent reforms, the mandate was transferred to a thinly staffed OCASC. It therefore became all the more important to ensure an efficient and robust policy process.

Further the country is going through major transformation and policies need to be in alignment with the larger transformation vision and the 13th Five Year Plan objectives.

In view of the above, RIGSS was entrusted by the OCASC to review and help "assess the existing policy landscape in the country to improve efficiency and effectiveness of policy implementation" with the following questions in particular to be addressed:

1. Review the existing definition and scope of public policy and establish clear definition and scope of public policy for our context;
2. Review existing policy framework, protocol and their efficacy, including relevance of the existing policies;
3. Based on the above, develop a robust policy framework that shall guide future policy formulation and consolidation and harmonisation of existing policies.

Introduction

Bhutan is currently making serious efforts towards becoming a developed country, and it is making transformational choices. How should GNH fit in? And what do these choices imply about policy formulation and review? These questions arise in a time of following changes happening in the country.

Civil Service Reform

The Royal Kasho on Civil Service Reform and other Royal statements have called for an entrepreneurial spirit in government. One message: "Be more business-like." Another: "Embrace technology in the economy, therefore in the government." To cite again His Majesty The King:

> The twenty-first century economy will be driven by artificial intelligence, robotics, automation, big data, and blockchain, while digital currency, digital wallet, digital banking, and quantum computing will define the financial landscape. We must pre-empt these profound developments by restructuring the budget process, financial norms and procurement systems to fast-track our transition to a knowledge-based and tech-driven economy.

> If we succeed in this, we will have built the unshakeable foundations of a vibrant democracy, created the material conditions for realising GNH, and further strengthened our peace and security.[2]

The civil service has undergone unprecedented reforms and continues to emphasise on performance.

At the same time, many civil servants have quit voluntarily. According to the RCSC's Annual Report July 2022 - June 2023, attrition in the Civil

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[2] Royal Kasho on Civil Service Reform, 17 December 2020. https://kuenselonline.com/royal-kashos-on-civil-service-and-education/

Service rose exponentially to 16%. This included over 10% voluntary resignations, particularly among senior positions and teachers.[3]

In mid-2023, a major pay revision gave all civil servants at least 50% raise in their salaries. These structural and managerial changes mean many civil servants must adjust to new roles and procedures and to fewer people, leading to the need for them to do more.

Structural Changes

The government has made big changes. The number of ministries has been reduced. In addition, four clusters of the new ministries have been created, to improve coordination including policy formulation and implementation.

The GNHC was dissolved, with components going to the Prime Minister's Office (PMO) and the Ministry of Finance. This change has upended the former policy framework. Before, the GNHC was tasked with:

1. Vetting five-page concept notes on proposed policies.
2. Vetting final policy proposals before sending them to the Cabinet for approval.
3. Approving action plans for each policy.
4. Evaluating the impacts of each policy.

This process is now managed by the OCASC under PMO.

New Government and Plans

The new government assumed office in January 2024. On their first day in office, the Honourable Prime Minister convened a meeting with the Cabinet Ministers and issued four executive orders along with ten directives to various ministries for expedited implementation.

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[3] RCSC's Annual Report July 2022- June 2023. Royal Civil Service Commission
https://www.rcsc.gov.bt/wp-content/uploads/2023/08/ANNUAL-REPORT-22-23.pdf

The 13th Five-Year Plan (FYP) marks a strategic shift towards "rebalancing GNH" with a targeted emphasis on transforming the economy to meet Bhutan's 21st-century needs. The long-term objective is for Bhutan to achieve the status of a High-Income GNH Economy by 2034 with a GDP of USD 10 billion[4]. This transformation aims to enhance overall prosperity and security for all Bhutanese.

Major Transformative Initiatives

Three ground-breaking initiatives envisioned by His Majesty The King and currently underway are the creation of the Gelephu Mindfulness City (GMC), the Gyalsung National Service and the National Digital Identity (NDI). Given the special nature of these major initiatives, these projects do not feature much in the regular policy discussions. However, it will be prudent to view the evolving policy landscape from a broader lens considering the inevitable impacts of these major initiatives on not just policy formulation but the overall transformation of the country.

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[4] Cabinet Secretariat, (2024), Thirteenth Five Year Plan (2024-2029) https://www.pmo.gov.bt/wp-content/uploads/2019/09/13-FYP.pdf

1. What Is a Policy?

One of the key objectives of this project is to clearly define public policy within the context of Bhutan and distinguish it from related terminologies such as Strategy, Plan, Programme, and Project. These terms are often used interchangeably, which can lead to confusion and ambiguity. By providing definitions and distinctions, this project aims to enhance clarity and guide policymakers in different stages of the policy process.

1.1. What Is a Public Policy[5]

Our review shows that around the world neither scholars nor governments agree on a standard definition of public policy. It is very contextual.

After careful deliberation, the following definition was found suitable for Bhutan's context:

> A policy is a set of principles that outline the government's approach toward a particular issue or set of issues that are of national concern and having cross sectoral externalities. 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.

Specifically, public policy has a number of key attributes:

- Policy is made in response to some sort of issue or problem that requires attention.

- Policy is what the government chooses to do (actual) or not do (implied) about a particular issue or problem.

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[5] Jessica Martinez, "What Is Public Policy?" Centre for Civic Education, California, USA, https://www.civiced.org/project-citizen/what-is-public-policy.

- Policy might take the form of law, or regulation, or the set of all the laws and regulations that govern a particular issue or problem.

- Policy is made on behalf of the "public."

- Policy is oriented toward a goal or desired state, such as the solution of a problem.

- Policy is ultimately made by governments, even if the ideas come from outside government or through the interaction of government and the public.

Policymaking is part of an ongoing process that does not always have a clear beginning or end, since decisions about who will benefit from policies and who will bear any burden resulting from the policy are continually reassessed, revisited and revised.

1.2 Policy in Bhutan

As elsewhere in the world, in Bhutan the term "policy" does not have an agreed-upon definition. Some documents look like "policies" but are called "strategies." An example is the National Strategy on Overseas Employment 2022-2030 of the Ministry of Industry, Commerce, and Employment. Other terms are used that may be policies or packets of policies, such as a "roadmap." Bhutan's 2016 EDP includes 252 "policy provisions."

Periodically, the government of Bhutan has called for the "harmonisation" of laws and policies. A major review of conflicting laws in Bhutan took three years to complete, and, in the event, few changes were made. The 2016 EDP called for the harmonisation of "acts, policies, rules and regulations … within one year":

> All Acts, Policies, Rules and Regulations of all sectors shall be reviewed to create an enabling environment. This shall be done within one year of adoption of this Policy in accordance with its provisions and shall be coordinated by the GNHC.

> The following shall be reviewed and revised:

1. Land Act, 2007

2. Labour and Employment Act of Bhutan, 2007

3. Immigration Act, 2007

4. Income Tax Act of the Kingdom of Bhutan, 2001

5. Road Safety and Transport Act, 1999

6. National Environment Protection Act, 2007

7. Intellectual Property Acts

8. Bhutan Information, Communications and Media Act, 2006

9. Movable and Immovable Property Act, 1999

10. Local Government Act, 2009

11. Mines and Minerals Management Act, 1995

But even amid calls for the harmonisation of laws and policies, there are proposals for new laws and policies. For example, the 2016 EDP demands many new policies be created within a year (p. 41):

A Tourism Policy by 2017[6]

The Ministry of Education shall implement the Bhutan Education Blueprint 2014-2024 and revise the Tertiary Education Policy 2010.

The Ministry of Health shall adopt a policy to open selective health services to private investments including traditional medicines by 2017.

The Royal Government shall formulate and update the ICT Infrastructure Development Policy periodically.

National Strategy and Action Plan for combating anti-money laundering and terrorist financing by 2018. (p. 41)

Trade Development Act, Competition Act, Consumer Protection Act (p. 38)—same things recommended in 2010 —and "The MoEA

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[6] Economic Development Policy 2016. Royal Government of Bhutan, 2016, P.41

shall accord high priority and implement the recommendations of the Export Promotion Strategy by 2017." (p. 39)

1.3 Definitions and Distinctions

Even though there are no agreed-upon definitions, it may be worthwhile advancing some broad distinctions between policies and related terminologies. So long as there is common understanding on these definitions among decision-makers and key agencies involved in the policy process, it would help streamline the process.

1.3.1 Strategy

A strategy is a high-level plan designed to achieve one or more goals under conditions of uncertainty. It outlines an approach or a direction to move from a current state to a desired future state.

Strategies are broader than policies and programmes, providing a framework within which these elements fit. They are often long-term and involve the allocation of resources to pursue specific objectives.

For example, a national strategy for sustainable development might outline goals for economic growth, environmental protection, and social equity, leaving the specifics of implementation to subsequent policies and programmes.

Example: Vision 2020

1.3.2   Policy

A policy is a set of guidelines or principles that outline the government's approach toward a particular issue or set of issues that are of national concern and having cross sectoral externalities. Policies are generally broad and long-term, providing a framework within which specific actions can be taken. They are often the result of extensive research, public consultation, and/or political debate.

Policies set the "what" and the "why" but often leave the "how" to be determined. For example, a national healthcare policy might state the government's commitment to universal healthcare access but not specify the exact mechanisms for achieving it.

Policies should be used for overarching guidelines and principles that will guide multiple plans and projects. They are more prescriptive than strategies and guidelines.

1.3.3 Plan

A plan is a more detailed roadmap for implementing a policy. It outlines the specific steps, timelines, and resources needed to achieve the policy's objectives. Plans are generally medium-term and more specific than policies. They answer the "how" that policies often leave open. For instance, a healthcare plan might specify the number of new hospitals to be built, the recruitment of healthcare professionals, and the mechanisms for healthcare financing.

A plan should be used when referring to the specific steps designed to implement a policy.

1.3.4   Programme

A programme is a coordinated set of projects or activities designed to achieve a broader strategic objective or address a specific problem or need. Programmes often involve multiple interrelated projects that are managed collectively to maximise efficiency and effectiveness in achieving overall goals. Programmes may also include ongoing activities, initiatives, and resources dedicated to supporting the programme's objectives over time.

Example: A public health agency launches a diabetes management programme aimed at reducing the prevalence and complications of diabetes within the community. The programme includes a combination of initiatives such as screening and early detection, lifestyle

modification interventions, patient education and support groups, access to affordable medications, and collaboration with local healthcare providers to improve care coordination and outcomes for individuals with diabetes.

1.3.5 Project

A project is a specific, short-term and time-bound initiative that is part of a plan.

It involves concrete actions and is usually time-bound, with clear objectives, a budget, and a defined scope. Projects are the "boots on the ground" that make the plans and policies a reality.

For example, building a specific hospital in a particular location with a set budget and timeline would be a project.

Projects are temporary endeavours with defined beginnings and ends, aimed at producing unique products, services, or results. They are the most concrete and specific, often forming parts of programmes.

1.3.6 Guidelines

Guidelines are sets of recommendations or principles that provide direction but are not mandatory. They offer advice on how to achieve an objective or standard, often suggesting best practices.

Guidelines are more flexible than policies. While policies might mandate certain actions or outcomes, guidelines suggest how to meet those requirements effectively, leaving room for adaptation to specific contexts.

For example, health and safety guidelines for workplaces provide recommendations for maintaining a safe environment but may allow organisations to determine the most appropriate measures for their specific situation.

Figure 1: Representation of the defined terminologies in hierarchical structure

Besides the above definitions, this flowchart summarises how strategy, policy, plan, programmes, projects and guidelines can be differentiated within the broader context of any given policy process. Again, this is very contextual and, in the interest of coherence, all stakeholders involved in the policy process need to be on the same page regarding such definitions and distinctions. The utility of this guide might, therefore, lie in bringing better clarity and organisation into the setting of goals, their pursuit, and realisation. It would further ensure that initiatives at all levels are congruent with the overarching strategic objectives, providing a coherent and structured way of achieving desired outcomes.

1.4 Checklist for Policy Consideration

Additionally, the following checklist could help in distinguishing policies from other related documents:

- Scope and Impact
  Are the issues proposed to be addressed through a policy of national significance? Will the policy or its implementation have cross-sectoral externalities?

- Broad and Long-term Orientation
  Does the proposed policy provide a broad, long-term framework rather than specific, short-term objectives/solutions?

- Consultation and Research
  Is the need for the proposed policy adequately justified? Is there evidence of research and/or stakeholder consultation?

- Political and Strategic Alignment

  Does the proposed policy align with broader national objectives and existing strategic priorities?

- Principle vs. Procedure Focus
  Does the document outline overarching principles and goals ("what" and "why") without delving into detailed methods ("how")?

2. The Existing Policy Framework and Challenges

The distinctive feature of Bhutan's policy framework is the integration of GNH principles into the policy-formulation process. It details the use of the GNH index in shaping policies, ensuring they contribute to the holistic well-being of citizens.

His Majesty The King said "GNH has come to mean so many things to so many people, but to me it signifies simply – development with values. GNH is the bridge between the fundamental values of kindness, equality and humanity and the necessary pursuit of economic growth."

When the government carries out GNH reviews of public policies, it uses these values and not just cost-effectiveness. As the Prime Minister said in 2017, "GNH steers the government away from chasing unrestrained material growth toward sustainable economic development balanced with social progress, cultural protection, environmental preservation, and good governance."

2.1 The Existing Policy Formulation Protocol

The existing Policy Formulation Protocol mentioned in the following is based on the Cabinet Secretariat letter No. C-3/67/688 dated 15 March, 2015 which endorsed the revision of the Protocol for Policy Formulation of the Royal Government of Bhutan. Following the structural changes in the government organisations and transfer of mandates, the role of GNHC in the policy process went to OCASC and the role of Committee of Secretaries was assumed by the Committee of Four Coordinating Secretaries (C4CS) which came into effect from 2023.

The following two stages depict the existing policy approval process:
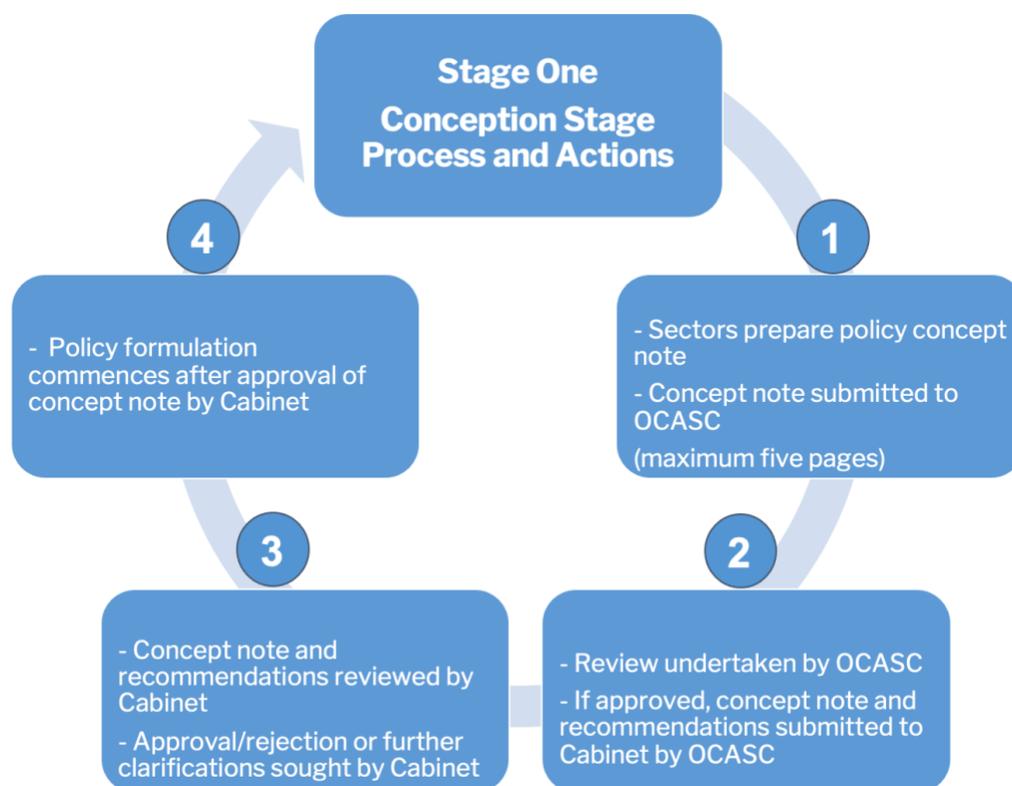
Figure 2: Stage One - Conception Stage Process and Actions

Stage One: Concept Note[7]

1. The sector proposing a new policy submits the Concept Note through its Policy and Planning Division (PPD) to OCASC.
2. OCASC reviews the Concept Note
3. OCASC rejects/seeks clarification from the sector if the requirement of policy is not clearly justified.
4. OCASC submits the Concept Note with recommendations to the Cabinet
5. The Cabinet reviews the Concept Note and either approves or rejects, or seeks further clarifications on the proposed Concept Note.

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[7] Revised Protocol for Policy Formulation of the Royal Government of Bhutan, 2015, p.2

Stage Two Policy Formulation and Approval

1 — Submission of Proposed Policy and Protocol report to OCASC for Review and Finalization
- Review comment on Proposed Policy or Proposed Revision and Protocol Report by OCASC
- Discussions with Proponent on comments
- Finalize draft Policy
- Conduct screening of the policy (by sector)
- Presentation to C4CS

2 — Submission of draft Policy and GNH Screening Result to OCASC for Review and Endorsement
- Policy presentation by proponent
- Screening results presentation by OCASC (both)
- Further Directives/Instituting Task Force if required
- Endorsement of draft policy.

3 — Submission of Policy to Cabinet for Review and Approval
- Policy presented to Cabinet by proponent
- Further directives or approval by the Cabinet
- Approval communicated to proponent by OCASC

4 — Submission of Action Plan to OCASC for Endorsement
- Review and endorsement of Action Plan
- Agreement on monitoring framework
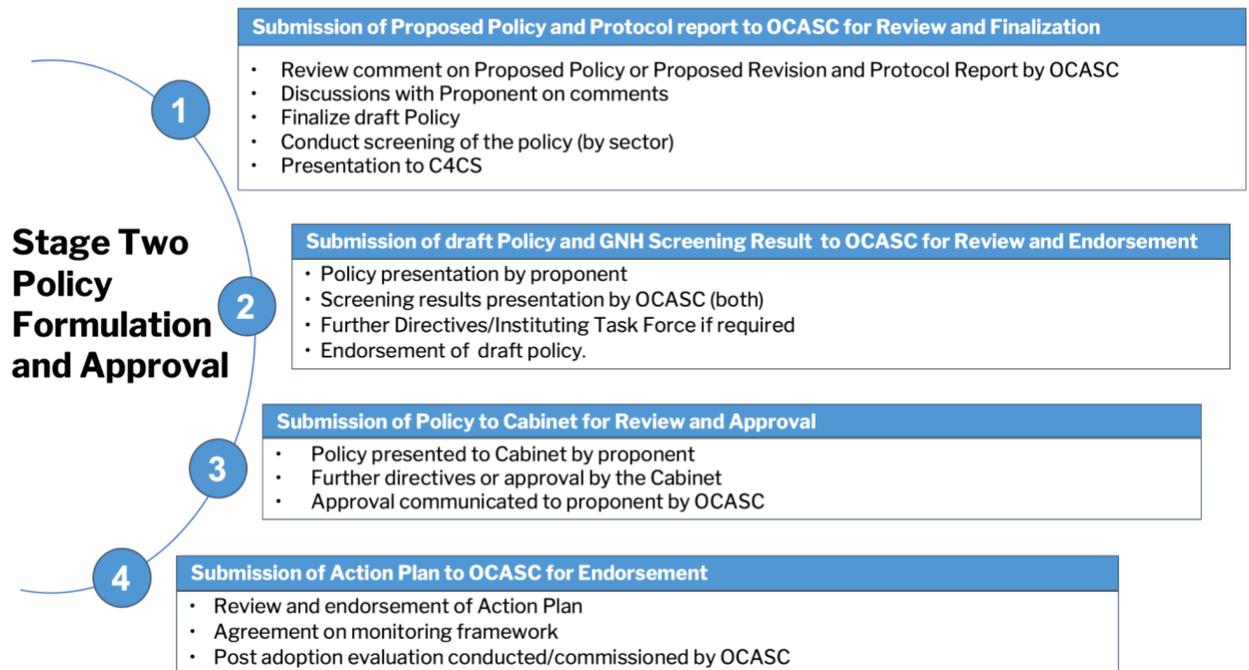- Post adoption evaluation conducted/commissioned by OCASC

Figure 3: Stage Two - Policy Formulation & Approval

Stage Two: Formulation[8]

1. The proponent may commence formulation/revision of the policy upon the approval of the concept note by the Cabinet.
2. The sector formulates the draft policy and submits it to OCASC along with the Policy Protocol Report as per the standard template.
3. The draft policy is made available on a public domain (web-based or other means) and shared with relevant research institutes and key stakeholders including those mainstreaming cross-cutting issues.
4. OCASC reviews the draft policy and provides feedback/comments to the proponent where necessary. When required, the proponent presents the draft policy to OCASC.

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[8] Revised Protocol for Policy Formulation of the Royal Government of Bhutan, 2015, p.2-3

5. The proponent incorporates the comments/feedback. If required, bilateral discussions can be held between the proponent and OCASC.
6. The final draft policy will be screened using the GNH policy screening tool by the proponent and the OCASC (as two separate exercises). Step-1
7. The proponent will submit the draft policy document along with screening results to the OCASC.
8. The OCASC validates the screening results by coordinating separate screening exercises. If the policy fails to meet the required threshold, the policy will be returned along with comments for further improvement.
9. If the proposed policy meets the required threshold, the OCASC submits the document and the screening results to the C4CS. The proponent will present the (final) draft policy to the C4CS.
10. Once the draft policy is cleared by the C4CS, it will be submitted to the Cabinet for final approval wherein the proponent is required to present the document.
11. The OCASC will convey the decision of the Cabinet to the proponent along with directives, should there be any.
12. If approved, a copy of the approved policy (after incorporation of Cabinet's directives) will be shared with the OCASC by the proponent along with the Policy Action Plan.
13. The Action Plan should clearly spell out the responsible agency, indicative budget and timeframe, activities, outcomes, outputs, and associated indicators.
14. OCASC will endorse the Action Plan and seek clarifications if necessary.
15. Based on the endorsed Action Plan, the policy will be monitored and evaluated during implementation

Following are the existing formats for policy concept note and the policy protocol report:

Format for submission of Policy Concept Note:[9]

I. Context and background - 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 the 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.

IV. Integration of GNH and cross-cutting issues
    - What are the opportunities and challenges pertaining to GNH, Disaster, Environment, Poverty, Climate Change, Gender, Population, Health, ICT, 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, Disaster, Environment, Poverty, Climate Change, Gender, Population and other cross-cutting issues by adopting this policy.

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[9] Revised Protocol for Policy Formulation of the Royal Government of Bhutan, 2015, p.6-7

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 TA.
- 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

Format for Policy Protocol Report[10]

1. Title Page
   a. Title of the policy
   b. Name and contact details of the organisation submitting the issue
   c. Name and contact 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 on prior government decisions/orders. Kindly mention references, etc.

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[10] Revised Protocol for Policy Formulation of the Royal Government of Bhutan, 2015, p.8-9

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 of the Studies
    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 to under a.

5. Integration of GNH and Cross-cutting Issues
    a. What are the opportunities and challenges pertaining to GNH, Disaster, Environment, Poverty, Climate Change, Gender, Population, Health, ICT, 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, Disaster, Environment, Poverty, Climate Change, Gender, Population 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

2.2 Bhutan's GNH Screening of Policies

Bhutan's policy formulation process has the unique and commendable feature of screening every proposed policy for their likely impact on GNH. The GNH screening of policies is an important step in the policy formulation and approval process in Bhutan.

2.2.1 Objective of the Policy Screening Tool

The primary goal of the GNH screening tool is to offer a structured framework for systematically evaluating the potential impacts of proposed policies and projects on key factors that influence GNH. This tool uses a four-point scale, where 1 represents the most negative impact and 4 represents the most positive to assess whether the policies are GNH favourable or not. Each policy and project will be evaluated against this scale based on a set of essential GNH determinants that affect the well-being of the population.[11]

The policy screening tool serves as a guideline to ensure a policy's alignment with the country's development philosophy of GNH. It seeks to assess the positive and negative impacts of policies on GNH. The tool also allows evaluators to award a "neutral" score for determinant not pertinent to a particular policy or "uncertain" if the screeners are not sure of the likely impact. It ensures policies are not formulated in isolation, considering various aspects of societal development, environmental sustainability, economic stability, and cultural preservation[12].

The GNH screening of a policy is carried out by 10 to 15 evaluators of various backgrounds and occupations. These evaluators rate the policy based on their judgement of the likely impacts on 22 GNH determinants. The 22 determinants as listed below are derived from the 124 variables of 33 indicators and 9 domains of GNH. The analysis and results of the pre-

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[11] Dorji Penjore, GNH Screening Tool, Framework for Integrating Gross National Happiness into Planning Process, 2008, p.5-6

[12] EXCEL-3, Group 5, Review of Policy Formulation and Screening Tools of Bhutan, 2023

test GNH survey carried out from October 2006 to January 2007 and the first GNH survey conducted from December 2007 to February 2008 helped identify the 22 key determinants of GNH[13].

1. Equity
2. Economic Security
3. Material well-being
4. Engagement in productive activities
5. Decision-making opportunity
6. Anti-corruption
7. Legal Recourse
8. Rights
9. Gender
10. Transparency
11. Skills and Learning
12. Public Health
13. Water and Air Pollution
14. Land degradation
15. Bio-Diversity Health
16. Social support
17. Family Interaction
18. Leisure
19. Culture
20. Values
21. Spiritual pursuits
22. Stress

For each of the 22 determinants of GNH, evaluators award a score from 1 to 4:

1 = Negative; 2 = Uncertain; 3 = Neutral or Not Applicable; and 4 = Positive.

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[13] Dorji Penjore, GNH Screening Tool, Framework for Integrating Gross National Happiness into Planning Process, 2008, p.5

The evaluators' scores for the 22 determinants are compiled. If the total score for a policy is less than 66, the policy is questioned. A low-scoring policy may be sent back for reformulation with necessary measures incorporated to mitigate the likely negative impacts of the policy on GNH.

The outcome of the GNH screening process is not binding, nor does not securing the benchmark score of 66 leads to outright rejection of the proposed policy. The officials in charge of the GNH screening process may decide to send a policy with a score below 66 to the Cabinet for approval under special circumstances.

2.3 Challenges of the Current Policy Process

2.3.1 Problem Identification in Policy Formulation

Problem identification and analysis to uncover the root causes or factors contributing to the problem is a critical step in the policy formulation process. This step needs to be improved in Bhutan's policy process. For instance, in the case of problem identification for the Food and Nutrition Security Policy 2023, the focus remains confined to the concerned sector from a generic food security perspective, lacking quantitative convergence on the targets and impacts to be achieved by the policy.[14] Experts and officials with the relevant qualification and experience in public policy need to be involved in the policy formulation process along with domain experts to ensure a more effective, robust and pragmatic policy process in its entirety.

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[14] EXCEL-3, Group-3, "Towards Deeper Understanding of The Current Policy Landscape in Bhutan; Exploring 'Bright Spot' and Lessons from Denmark and Switzerland", 2023

2.3.2 Data Collection and Research

An extensive gathering of data to determine the extent of the problem, its impact, and the specific needs of those affected is crucial in policy development. However, In Bhutan, policies are typically adopted without the benefit of detailed research.[15] Moreover, primary data collection and analysis are generally not carried out in policy formulation. Primary data collection is necessary to gather information relevant to the policy issue. This can be done through representative surveys, interviews, focus group discussions, or other research methods that may be used to collect data from stakeholders, target groups, experts or the general public. This is the reason why there is always uncertainty in the existence of evidence-based policies in Bhutan.

2.3.3 Consultation and Engagement

Stakeholder participation and engagement are fundamental aspects of the policy-making process to ensure ownership and accountability, emphasising the involvement of citizens, communities, and various stakeholders in policy development and implementation. However, it is evident that policies generally prioritise relevant sectoral engagement over a citizen-centric approach. This results in unclear stakeholder participation and policy ownership hindering transparency, accountability, and alignment with the needs and values of the people.[16]

Apart from locally-driven government legal adoptions, public consultations are not conducted to gather input and feedback from citizen stakeholders, limiting the direct exchange of ideas between policymakers and the public.

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[15] EXCEL 3, Group 3, "Towards Deeper Understanding of The Current Policy Landscape in Bhutan; Exploring 'Bright Spot' and Lessons from Denmark and Switzerland", 2023

[16] EXCEL 3, Group 3, "Towards Deeper Understanding of The Current Policy Landscape in Bhutan; Exploring 'Bright Spot' and Lessons from Denmark and Switzerland", 2023

Similarly, the CEOs of DHI companies highlighted that while corporate sectors are occasionally consulted during the policy formulation process, their input is often disregarded, resulting in decisions maintaining the status quo. Additional shortcomings include limited involvement in policy formulation by a few select individuals and the tendency for draft policies to be posted online primarily for formal endorsement purposes. It was emphasised that identifying and engaging stakeholders who are directly affected by the policies is crucial to ensuring comprehensive consultation during the formulation process.

On the other hand, the organisers face challenges in getting the participation of relevant officials with the required knowledge and experience from agencies to participate in such consultation workshops.

2.3.4 Relevance and Effectiveness of the GNH Screening Tool

A score of 1 should be awarded if the policy is perceived to *negatively impact* the determinant.
A score of 2 should be awarded if it is *uncertain* as to how the policy might impact the determinant.
A score of 3 is awarded if it is certain that the policy will have *no negative impact* on the determinant, even if it is *uncertain* whether the policy will have any *positive impacts*. In case the policy *does not have any linkage* to a determinant, a score of 3 should be awarded.
A score of 4 is awarded if the policy is perceived to have a *positive impact* on the determinant.

The GNH screening tool faces some challenges in helping to align Bhutan's policies with GNH principles using the 22 determinants, as not

all determinants are equally relevant to every policy. Also, note that a score of 3, which means "neutral or not applicable," would not count against the policy, so at least theoretically, a policy that scores a neutral score of 3 across all the 22 determinants will be considered GNH favourable.

Further, the screening process involves 10 to 15 evaluators from diverse backgrounds and professions who are not necessarily policy experts as envisaged. This could result in subjective determinations, which do not guarantee evidence-based policy screening.

2.3.5 Weak monitoring and evaluation mechanisms

The erstwhile GNHC was tasked with monitoring and evaluating policy impacts. Following the recent reorganisation of government agencies, this responsibility has been entrusted to the OCASC under the Cabinet Secretariat which seems to lack the necessary bandwidth in terms of human resources and experience to carry out all policy related mandates as envisaged.

A lack of robust monitoring and evaluation mechanism has led to challenges in effective policy implementation and impact assessment. Many have noted that reviews are often slow and incomplete, typically omitting action plans and rarely conducting evaluations. The ineffectiveness of these reviews in influencing policy decisions is a concern.

A weak monitoring and evaluation mechanism has been noted in the current process. Lack of budget is given as a major reason for the lack of evaluations; for example, while the National Policy Coordination Division (NPCD) estimates that at least Nu. 2.0 million may be required for impact assessments, no specific budget has been allocated for evaluation-related activities in the last 3-4 years. Again, this lack of a culture of periodic reviews would lead to some policies being static and falling behind times. The mandates entrusted with OCASC are too broad,

ranging from reviewing concept notes and GNH screening to providing comments on implementation plans and even down to assessing policy outcomes.

3. Strengthening the Policy Process

To streamline and strengthen the policy process in the country and to address the challenges highlighted above, the following recommendations are proposed:

3.1 Strengthening the Policy Formulation Process

3.1.1 Dedicated Team of Professionals to Guide Policy Formulation

The assembling of a dedicated team of experts and professionals in guiding policy formulation brings focused expertise, continuity, and a pragmatic and professional approach to the process. This can work on data gathering, analyses, and ensuring that the policy development is on the correct path toward the larger national goals and priorities. They would serve as a source of knowledge and, where required, guidance to the stakeholders at all times for informed decision-making and a sound policy process.

3.1.2 Involving Relevant Officials in Stakeholder Meetings

Involving officials with the relevant background and experience in public policy in policy-related stakeholder consultation meetings ensures that discussions are grounded in sound theoretical knowledge as well as experience of the ground realities. These officials can provide insights into what has worked in the past, potential pitfalls, and how new policies might interact with existing ones. Their participation ensures that policies are not developed in a vacuum but are informed by historical context, future opportunities and implementation feasibility.

It is therefore imperative for concerned agencies to ensure the participation of the most relevant officials in policy related meetings to

elevate the priority and enhance effectiveness of the policy development process.

3.1.3 Conflict and Complementarity with Existing Policies for Better Harmonisation

Accommodating such diverse policies and objectives pursued creates the need to understand the conflict and complementary dynamics at play. There can be conflicts of interests, resource constraints, or even differences in objectives. In such cases, early spotting during the development process might allow for rooms of discussion and negotiation between or among stakeholders. Occasionally, those areas representing complementarity between policies and interests can produce synergistic actions that will enhance the effectiveness of policy outcomes. The approach ensures that policies will not only be robust but also complement broader goals and not undermine other policies and their objectives.

3.1.4 Standard Policy Format

Adopting a standard policy format would enhance consistency, clarity, and completeness in policy documentation and its use. Such a format might include sections on the policy background, objectives, scope, implementation strategies, responsible parties, timelines, and evaluation mechanisms. A standardised format will not only help in the drafting and review process but can also help stakeholders and implementing agencies to easily understand and follow the policy. It can also facilitate the comparison and evaluation of policies over time.

3.1.5 Policy White Paper

Policy white paper is a full-blown draft of the policy. It comes at a later stage when it is ready for public dissemination and discourse. It is proposed that the policy white paper be made public online for feedback and comments to amplify citizen and stakeholder engagement.

However, there has to be adequate public information and advocacy through all possible means including social media so that interested or concerned members of the public know about it and could possibly contribute to the discourse by way of providing comments and feedback.

3.1.6 Inclusive Consultation Process

Bhutan can learn from the experience of countries such as Denmark and Switzerland where there is emphasis on inclusive consultation processes. Both countries actively engage the public, stakeholders, and experts in policy formulation. Bhutan can benefit from expanding and formalising its consultation processes to ensure that policies reflect a broader range of perspectives, experience, and expertise.

3.2 Policy Protocol Report

Under the present system, the Policy Protocol Report is to be submitted separately with the draft policy. The Policy Protocol Report must include a copy of the proposed policy along with the following:

- Title Page
- Background and Context
- Policy Recommendations
- Research and Findings of the Studies
- Integration of GNH and Cross-cutting Issues
- Other Implications
- Consultations

To avoid redundancy and enhance efficiency of the policy formulation process, it is recommended that proponents annex their research findings, consultation details and other important information to the proposed policy document instead of preparing and submitting a separate document with similar content.

3.3 To Streamline and Strengthen GNH Screening of Policies

While GNH screening of policies has been a prominent part of the policy formulation process in Bhutan given its importance, there is much to be desired in terms of who screens the policies or how. Given this inconsistency, it is recommended that OCASC constitute a GNH Screening Committee for GNH screening of policies. The committee may comprise few fixed members (policy experts and OCASC officials) and few floating members (domain experts based on the policy being reviewed including members from the policy proponent).

Further, currently a new policy is being screened against 22 GNH determinants derived from the 33 GNH indicators with all determinants not necessarily applicable to all policies and some of these determinants such as *stress, equity, values etc.* are very difficult to measure. The combination of a screening matrix comprising 22 profound yet complex determinants of GNH with randomly selected evaluators who necessarily do not have the required expertise and experience in policy making and GNH has been reported to be a challenge.

While this challenge could be addressed by ensuring the right evaluators are involved, an alternative measure proposed is for the screening to be carried out based on the nine domains rather than 22 determinants. So long as a committee of experts and relevant officials meeting pre-defined qualifications and experience are involved, screening a policy on 9 domains could be more effective than a larger number of random evaluators screening the policy against 22 GNH determinants.

3.4 "DARE Model" guide for inclusive policy making

Proposed below is a model that could guide a more inclusive policy formulation process:

Policy Actors/ Phases	Proponent / Agencies	Research & Academic Institutions / Think tanks	Local Government	Citizen/ Interest Groups/ Beneficiary Groups	Cabinet Secretariat	Parliament Committee	Lhengye Zhungtsho / Cabinet	M & E Body
Concept Note	DARE				ARE		AR	
Formulation	DARE	DARE	E	E	ARE	E		
Approval					ARE		AR	
Monitoring and Evaluation	DARE	E	E	E	E	E		DARE
D: Data & Comprehensive Research; A: Alignment to NAtional & Strategic Objectives; R: Results & Impacts Orientation; and E: Engagement & Consultations = DARE Model in Policy Development (Proposed)								

The "DARE Model"[17] for inclusive policy making recommends integrating key institutions into the policy process, such as the following:
1. Proponent Agencies
2. Research & Academic Institutions/Think Tanks (such as CBS, RIGSS, UWICE, RUB, RIM etc. depending on relevancy)
3. Local Governments
4. Citizens/Interest Groups/Beneficiary Groups
5. Cabinet Secretariat (OCASC)
6. Parliament Committees
7. Cabinet (Lhengye Zhungtshog)
8. Monitoring & Evaluation Bodies

This model outlines four phases of policy development, requiring the inclusion of specific dimensions during the formulation and approval stages. In a matrix that cross-references the four policy phases with the eight institutional roles, the DARE elements (Data & Comprehensive Research, Alignment to National & Strategic Objectives, Results and Impacts Orientation, Engagement & Consultations) are strategically

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[17] EXCEL 3, Group 3, "Towards Deeper Understanding of The Current Policy Landscape in Bhutan; Exploring 'Bright Spot' and Lessons Learned from Denmark and Switzerland", 2023.

assigned. This allocation highlights the distinct responsibilities each stakeholder holds during different policy stages.

The "DARE Model" for inclusive policy making likely offers several benefits as highlighted below:

- *Enhanced Policy Effectiveness and Relevance*: By incorporating comprehensive research and data (D), the model helps ensure that policies are grounded in reality and address the genuine needs and conditions of the community. This leads to more relevant and effective policies.

- *Strategic Consistency*: Alignment to national and strategic objectives (A) ensures that all policies contribute positively to the broader national goals, maintaining strategic consistency across different sectors and initiatives.

- *Improved Outcomes*: A focus on results and impacts (R) not only emphasises the end goals of policies but also promotes accountability by measuring policy success against predefined objectives. This can improve the overall effectiveness of policies.

- *Greater Inclusivity and Stakeholder Buy-in*: Engagement and consultation (E) ensure the involvement of a diverse set of stakeholders in the policy process, enhancing transparency and fostering greater public trust and buy-in. Greater inclusivity can lead to more equitable and widely supported policies.

- *Adaptability and Continuous Improvement*: The structured phases of the model encourage ongoing assessment and adjustment of policies, allowing for adaptability to new information or changing circumstances, which is critical to foster a dynamic policy environment.

3.5 National Public Policy Forum

The National Public Policy Forum is proposed to act as an important discussion platform for the policymakers, stakeholders, and those

affected by policies. It may be arranged through think tanks like RIGSS or CBS in collaboration with the Prime Minister's Office, particularly OCASC. It shall allow the formulation, revision, and harmonisation of policies. It would also serve significantly for policy adjustments post-implementation. This, in turn, would promote policy education and advocacy at the national level and also provide greater transparency for wider engagement to ensure diversity in perspective during policy formulation. This could be one of the most significant enhancements to the policy process through ongoing education and sharing best practices in policy development and implementation.

3.6 Best Practices

Look across other countries and find examples that can inspire our transformation. Singapore's Lee Kuan Yew said that 70 percent of his country's innovations were borrowed and adapted from other countries. This is so even though Singapore is unique. We should also have open eyes and minds, even though Bhutan is unique, to learn from the rest of the world.

Innovation is the heartbeat of dynamic governance. Drawing from Canada's emphasis on research and Sweden's collaboration with academic institutions, Bhutan could create dedicated platforms, foster collaboration, support evidence-based decision-making, promote continuous learning, and encourage better synergies between the public and private sectors. This amalgamation will result in a governance landscape teeming with innovative solutions, informed decision-makers, and collaborative governance".[18] According to the EXCEL groups who studied best practices in the policy process, unlocking the potential for adopting best practices from Denmark and Switzerland in Bhutan can be achieved through three transformative reform types: institutional, dimensional, and debureaucratization.

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[18] EXCEL 3, Group 2, "Policy Analysis of Canada and Sweden; Lessons Learnt and Recommendations for Bhutan", 2023.

Institutional reforms encompass the establishment of policy think tanks, reinforcement of data collection and policy research.

Dimensional reforms focus on refining the quantitative determination of policies, amplifying citizen and stakeholder engagement, and crafting a clear "Theory of Change" for policies.

Debureaucratization reforms aim to streamline the coordination of overall executive decisions, orders, and circulars, which currently have significant impacts on policy implementation and management.[19]

3.7 Benefits of a good policy process

The benefits of a good process for the formulation and approval of policies include:

- Improvements in clarity and impact of policies: the review process adds value to design and implementation.
- Policies are better aligned with overall strategy and with other policies.
- Information is drawn from and provided to stakeholders and citizens, and
- Enhances efficiency of policy formulation and approval process.

These benefits are likely to be higher:

- The more expert are the reviewers
- The greater the involvement of stakeholders
- The greater the "reach" of a policy (its effects on many sectors, including government, business, and civil society).
- When transformative change is underway, and the policy is important for successful change.

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[19] EXCEL 3, Group 3, "Towards Deeper Understanding of The Current Policy Landscape in Bhutan; Exploring 'Bright Spot' and Lessons Learned from Denmark and Switzerland", 2023.

The *costs* of a policy process include:

- The resources expended in formulation and review, including research and consultations.

- The delays occasioned.

- If the review process is poor, it may actually make policies less effective.

- Discouraging policy proposals because of the transaction costs involved. (Note: this may also have its benefits.)

These costs will be higher when reviewers are less competent, stakeholders are less involved, the policy has fewer effects on other sectors, and policy has less importance for the transformation agenda.

4. Dynamism in the Policy Making Process

"*Bhutan is in an enviable position. We can capitalise on the inherent strengths of small nations to be more flexible and agile. Above all, we are blessed with the harmony and trust between the King, government and people that binds us all together in a single vision.*"

- His Majesty King Jigme Khesar Namgyel Wangchuk, 116th National Day Address

Bhutan's unique strength lies in its smallness, unity and shared vision and that enables the country to be more flexible and agile—key characteristics of a dynamic policy process. The alignment among leadership and citizens allows for the rapid adaptation and responsiveness needed in a policy process that can effectively address emerging challenges and seize opportunities. Thus, Bhutan's collective vision and inherent strengths position the nation to continually evolve its policies in ways that enhance the well-being of its people.

In the multifaceted landscape of governance, it is essential for policymakers to adopt a comprehensive and strategic approach to policy development and evaluation. This approach should be dynamic encompassing learning from various dimensions—across government sectors, from historical outcomes, and by anticipating future challenges. By doing so, Bhutan can ensure that its policies are not only responsive to current needs but also proactive in shaping a sustainable and harmonious future. Here, a framework is outlined: Look Across, Look Back, and Look Ahead, each designed to enhance the effectiveness of the policy-making process in Bhutan.

4.1 Look Across, Look Back, and Look Ahead Framework

4.1.1 Look Across

- Get out of silos and learn from other parts of the government. For example, consider conflicts and complementarities among existing policies.

- Learn from other countries: strategies, policy processes, management techniques, etc.

- Consider policies taken as a cluster: how does the portfolio fare on GNH criteria?

4.1.2 Look Back

- Learn from past experiences. Avoid the illusion of a complete evaluation of all activities across all dimensions of benefits and costs. Rather, find "bright spots," examples of things that are working well. Write up brief descriptions and discuss them among policymakers.

4.1.3 Look Ahead

- Assess the policy relevance trends and uncertainties in markets, technologies, security, diseases, etc. Particularly relevant: the emergence of generative AI.

- Take account of future impacts of Bhutan's big transformation initiatives, such as the Gelephu Mindfulness City (GMC), the National Digital ID, and the Gyalsung National Service.

4.2 Recommended Approach

To foster a dynamic policy making process entailing looking across, looking back and looking ahead, the following recommendations are proposed:

4.2.1 GNH as a Balanced Scorecard

The GNH is a dramatic example of a balanced scorecard. The balanced scorecard was invented in the 1990s and is now widely used by businesses and governments around the world. Just as GNH aims to go beyond GNP, so do businesses and governments use broader indicators to go beyond short-run profits.

For example, Tesla uses a balanced scorecard to evaluate its performance in innovation, sustainability, and customer satisfaction, not just its bottom line. Google uses balanced scorecards to go beyond financial metrics, incorporating user experience and innovation rates.

In the public sector, the U.S. Federal Government has used balanced scorecards to evaluate agencies' performances across multiple dimensions, including efficiency, public satisfaction, and outcome effectiveness. Similarly, cities like Barcelona have employed balanced scorecards to focus on sustainability and quality of life alongside economic growth.

The result is a more "balanced" view of an organisation's performance that is linked to its broad goals and long-term health. In the same vein, GNH serves as Bhutan's balanced scorecard for governance.

4.2.2 From Single Policies to a Portfolio Approach

In business and governments, the balanced scorecard is not primarily used to assess each specific policy or investment. Businesses often use the balanced scorecard to assess the overall health of the company rather than the success of a specific project. For example, Apple uses balanced scorecards to align various departments—R&D, marketing, customer service—ensuring a balanced approach to market competitiveness. Cities like Copenhagen use balanced scorecards in multi-year budgeting to ensure a well-rounded focus on sustainability, social welfare, and economic growth across policies and programmes.

Bhutan can deepen the impact of GNH by moving beyond isolated policy evaluations and embracing a more expansive, interconnected view of governance that aligns with Bhutan's unique values.

4.2.3 PM's Annual/Biennial GNH Review

A Prime Minister's Annual/Biennial GNH Review may be introduced to assess the holistic impact of public policies on GNH. This could follow the periodic policy evaluations and reviews conducted by relevant agencies.

Periodic reviews across government could also focus on "bright spots," examples where particular programmes or particular regions are doing especially well in terms of GNH parameters. Identifying and learning from these successes will help distil valuable lessons for other parts of the government about implementation, public-private-citizen partnerships, and surprising spin-off effects.

In preparation for the Prime Minister's Annual/Biennial GNH Review, relevant think tanks or institutions could interview leaders from government, business, academia, and civil society and ask them, "What policies and programmes are working especially well? Which Dzongkhags are doing especially well?" This Review would convene these leaders, with the Prime Minister in the chair, to brainstorm about why some programmes and policies are succeeding especially well, and why some regions are making excellent progress.

4.2.4.1 Possible benefits of the Prime Minister's Annual GNH Review

1. Motivation and Morale: Focusing on what's working well can be a strong motivator for both policymakers and citizens, and it can also help to identify best practices that can be replicated elsewhere.

2. Cross-pollination of Ideas: Having leaders from diverse sectors together in one room, especially with the Prime Minister in the chair, will facilitate the exchange of ideas and help identify synergies that might otherwise be missed.

3. Holistic Assessment: A portfolio-level review, as opposed to an individual policy review, allows for a more nuanced understanding of the interplay between various policies and programmes, and how they collectively contribute to GNH and other national goals.

4.2.4.2 Points for Consideration

1. Structured Agenda: While brainstorming is valuable, the discussion should be structured to ensure it yields actionable insights. Specific questions or prompts can guide the conversation.
2. Public Engagement: Consider involving the press and the public in some way, perhaps through a digital platform where citizens can submit their own observations and suggestions, which could be reviewed as part of the Prime Minister's Annual GNH Review.
3. Special Review: Given that GNH is measured periodically, a special edition of the Prime Minister's Annual GNH Review could coincide with the release of new GNH data.
4. Follow Through: Based on the discussion of the bright spots, the Prime Minister might sponsor pilot programmes in other regions or sectors to test the applicability of these successes elsewhere.

4.2.4 Committee for Special Administrative Region (CSAR)

Another idea is the creation of a secretarial level committee that would consider the interactions and harmonisation of existing policies with the country's economic transformation, especially the GMC.

This committee would learn about Special Economic Zones (SEZs) around the world—and then consider how the ministries separately and together can plan for the policy changes needed both to make Gelephu a success and to replicate its success elsewhere in the country and ensure it creates jobs and revenues for Bhutan.

The committee would map the impacts of GMC onto existing policies. For example, in other countries SEZs lead to migration from the rest of

the country, with positive and negative effects. What might migration to the GMC, both from within and outside, do to the GNH goal of community resilience? If it did x or y, what could be done to compensate or mitigate such impacts? The committee could propose measures that can enhance the success of the GMC with policies pertaining to migration, investment, transportation, technology transfer, security, and more.

This dedicated committee can serve as a centralised point for planning, coordination, and decision-making, ensuring that the GMC's development is integrated into broader national strategies.

5. Policy Consolidation and Harmonisation

5.1 Need for Consolidation/Harmonisation

The OCASC wanted this review exercise to look at possibilities of "consolidation and harmonisation of existing policies." During the consultation meetings, concerns regarding proliferation of policies were expressed at various levels.

Policy proliferation could lead to thinly spread focus burdening the government's financial and human resources, duplication of efforts, weak monitoring and evaluation of policies, and policy paralysis, among others.

Thus, as part of this review exercise, all the 51 existing policies were reviewed for relevance, alignment with transformation goals, and opportunities for possible consolidation and harmonisation.

5.2 Possible Consolidation of Policies Across Clusters

The review exercise identified possible opportunities for consolidation though further vetting and consultation with key stakeholders are recommended. The report highlights the possible areas of consolidation, and if it works out as proposed, all the existing policies (about 51) could be consolidated to a total of 20 policies across the four clusters.

5.2.1 Policies under Economic Cluster

Sl No	Primary (Consolidated) Policy	Recommended (Existing) Policies to be consolidated under primary policy
1	National Economic Development Policy (NEDP)	1. EDP 2016 2. FDI Policy 2019 3. Cottage and Small Industry Policy 2019 4. Public Private partnership Policy 2016 5. National Competition Policy 2020

		6. Tourism Policy of the Kingdom of Bhutan 2021 7. Licensing Policy 2015
2	Climate Change Policy	1. National Hydro-met Policy 2023 2. Climate Change Policy of Bhutan 2020
3	National Intellectual Property Policy	1. Draft National Copyright Policy 2022 2. National Intellectual Property Policy 2018
4	National HRD and Employment Policy	1. National Employment Policy 2013 2. National Human Resource Development Policy 2010
5	National Forest and Biodiversity Policy	1. National Forest Policy 2011 2. Subsidised Timber and Non-wood Forest Produce Allotment Policy 2011 (maintain as guidelines) 3. Access & Benefit Sharing Policy 2015
6	National Energy Policy	1. Alternative Renewable Energy Policy 2013 2. National Energy Efficiency and Conservation Policy 2019 3. Bhutan Sustainable Hydropower Development Policy 2021 4. Domestic Electricity Tariff Policy 2016 (maintain as guideline)
7	Food and Nutrition Security Policy 2023	1. Food and Nutrition Security Policy 2023 2. RNR Research Policy 2011(maintain as guidelines) 3. RNR Marketing Policy 2018 (maintain as guidelines) 4. National Irrigation Policy 2011 (maintain as guidelines)
8	National Human Settlement and	1. National Human Settlement Policy 2019 2. National Housing Development Policy

	Housing Policy	2019
9	Mineral Development Policy	Retain
10	National Construction Industry Policy	Retain
11	National Creative Industry Policy	National Film Policy (broaden scope)
12	National Transport Policy	National Surface Transport Policy 2022 including other forms of transport

5.2.2. Policies under Social Cluster

Sl No	Primary (Consolidated) Policy	Recommended (Existing) policies to be consolidated under primary policy
1	National Education Policy	1. Draft National Education Policy 2022 2. Tertiary Education Policy 2022
2	National Gender Equality Policy	1. National Gender Equality Policy 2020 + LGBTQI policy (under review) 2. National Policy on Prevention and Response to Sexual Violence 2023 (under review)
3	Social Protection Policy	1. National Policy for Persons with Disabilities 2019 2. National Policy for Senior Citizens 2023

Sl No		
		3. National Youth Policy 2022 (relevant provisions) 4. National Child Policy 2022 (relevant provisions)
4	National Land Policy	1. National Land Policy 2. Geo-information Policy 2018
5	National Health Policy	1. National Health Policy 2011 2. Mental Health Policy 2015 3. National Policy to Accelerate Mother and Child Health Outcome 2020 4. National Policy and Strategic Framework to Reduce Harmful Use of Alcohol 2015 (maintain as guidelines) 5. National Policy and Strategic Framework on Prevention and Control of NCDs 2009 (maintain as guidelines) 6. National Sanitation and Hygiene Policy 2020 (maintain as guidelines)

5.2.3 Policies under Security Cluster

Sl No	Primary (Consolidated) Policy	Recommended (Existing) policies to be consolidated under primary policy
1	Foreign Policy of the Kingdom of Bhutan	Retain

5.2.4 Policies under Governance Cluster

Sl No	Primary (Consolidated) Policy	Recommended (Existing) policies to be consolidated under primary policy
1	E-Governance Policy	1. E-Governance Policy 2021 (include data sharing and management provisions) 2. Social Media Policy 2016 3. Telecom and Broadband Policy 2014
2	Public Debt Policy 2023 (Not approved by the Cabinet)	Retain

5.2.5 Consolidated Policies Across Four Clusters

Economic Cluster	Social Cluster	Security Cluster	Governance Cluster
1. National Economic Development Policy 2. National Intellectual Property Policy 3. National HRD and Employment Policy 4. National Forest and Biodiversity Policy 5. National Energy Policy 6. Food and Nutrition Security Policy 7. National Human Settlement Policy 8. Climate Change Policy of Bhutan 9. National Creative Industry Policy 10. National Transport Policy 11. Mineral Development Policy 12. National Construction Policy	1. National Education Policy 2. National Gender Equality Policy 3. Social Protection Policy 4. National Health Policy 5. National Land Policy	1. Foreign Policy of the Kingdom of Bhutan	2. E-Governance Policy 3. Public Debt Policy
Total policies after possible consolidation: 20			

5.3 Policy Consolidation Trade Offs

5.3.1 Advantages of Policy Consolidation:

5.3.1.1 Enhanced policy coherence

Integrating various policies can foster a more holistic and integrated approach to addressing complex issues, facilitating better coordination between different sectors and promoting a more comprehensive understanding of the interconnected challenges.

5.3.1.2 Streamlined implementation and effectiveness

Consolidation can simplify the implementation process by reducing redundancy and overlapping mandates, allowing for more efficient resource utilisation and clearer accountability mechanisms.

5.3.1.3 Streamlined monitoring and evaluation

A consolidated policy framework can facilitate more straightforward monitoring and evaluation processes, enabling policymakers to assess the impact of policies more accurately and make informed decisions based on comprehensive and coherent data.

5.3.2 Disadvantages of Policy Consolidation

5.3.2.1 Complex process and stakeholder resistance

The process can be complex and time-consuming, requiring significant efforts in coordination, communication, and consensus-building among various stakeholders.

Stakeholders may resist the consolidation process, fearing changes in their roles or the loss of influence and autonomy, potentially leading to delays, conflicts, and challenges in implementing the consolidated policies effectively.

5.3.2.2 Oversight and omission risk

There is a risk of overlooking critical policy components or omitting specific stakeholder perspectives, potentially leading to unintended consequences or gaps. This can also result in lack of ownership to realise the policy goals.

5.3.2.3 Adaptability and resource concerns

When many policies are consolidated into one, it could struggle to keep pace with fast-changing societal and environmental shifts thereby losing policy dynamism. To stay effective, flexible rules and adaptable systems are essential. With consolidated policies, multiple agencies must collaborate, and changing everyone's mindset is challenging. Even small changes need agreement from different agencies, which could demand a lot of time and resources.

5.4 Points to Consider for Policy Consolidation and Harmonisation

Building on this exercise of consolidation, the government has to ensure that the policies align with the Transformation Agenda of the country. What is required is a holistic approach that captures both consistency and strategic focus.

This will be desirable that all the existing policies be briefly reviewed as a prelude or precursor to any consolidation effort. Centres will assist in collation, identification of redundancy, gaps, and priority attention areas. It is also very important that there is a validation of the current policies in concert with the cluster agencies and stakeholders. In this manner, policies will not only be made to conform with the revamped socio-economic goals but also to represent diverse needs and perspectives of important stakeholders.

For this reason, all policies will have to be reviewed within the context of these new names of agencies so that proper and understandable implementation can be carried out. It is also expedient that a national

repository or portal is developed for all laws and policies. This would ensure easy access to information, more transparency, and for that matter, better compliance on the part of players themselves. In the wake of all the pros and cons relating to policy consolidation, perhaps piloting one consolidation exercise could be prudent. It would be wise to start off with a look at the EDP, since there has not only been a focus on this economic development, but apparently, also a very clear opportunity for consolidation.

Further, for better harmonisation of policies henceforth, it may be worthwhile to consider a shift towards the development of policies that focus on overarching themes or specific sectors, rather than concentrating solely on specific subjects or isolated issues. This thematic approach allows for a more comprehensive and integrated strategy in policy formulation.

In addition, as highlighted earlier in the report, involving relevant and qualified officials in consultation meetings and having dedicated policy experts in the policy formulation process is crucial. This will help identify conflicts and complementarities among policies thereby fostering better harmonisation and synergies to enhance collaboration and resource sharing.

Conclusion

Policy formulation is just one of the stages in the entire policy life cycle but an important one because that is where the "what" and "why" aspects of the government's approach toward issue(s) are discussed and formulated in the form of a policy document. It is during this stage when the goals and objectives of the policy are set, challenges and opportunities identified, options explored, and implementation plans framed. It is also during this stage where alignment with national objectives, harmonisation with existing policies, and integration of emerging developments have to be discussed and considered. In Bhutan, the unique feature of screening each policy against 22 GNH parameters also takes place in this stage.

While there exists a clear process and protocol for policy formulation in the country, it could be strengthened and made more robust, inclusive and pragmatic. This report highlighted the areas where improvements could be made and proposed recommendations accordingly.

Significant among the recommendations are the proposal to streamline the GNH screening process by constituting a committee of experts/officials well-versed on GNH and public policy rather than having random officials carry out the screening, given the profundity and complexity of the subject. So long as screeners are experts, it is felt that the screening could be carried out even at the level of the nine domains of GNH. The GNH screening process should be more of an intellectual discourse based on subject knowledge, experience, pragmatism, and foresight about a policy and its implications rather than an attempt to quantify complex determinants based on random screeners' conjectures. In fact, this report strongly recommends the engagement of experts or the most relevant officials and individuals with the required knowledge and experience throughout the policy formulation process including during the stakeholder consultation meetings.

Further, the report advocates for harmonisation and alignment of policies throughout the policy formulation stage in order to minimise

discrepancies between or among policies and to enhance complementarity to achieve intended objectives. The report further identifies opportunities to consolidate the existing policies in light of the commonality in the policy objectives and considering the views that there is a proliferation of policies. Consolidation of policies in a strategic manner could help streamline policy management, improve coherence, and enhance the efficiency of policy implementation and evaluation.

The introduction of the National Public Policy Forum and the implementation of a periodic Prime Minister's GNH Review are also proposed to foster continuous dialogue and adaptation. While the former would foster policy dialogues, communication, and education among all stakeholders, the latter would provide an opportunity for a regular and broad assessment of policies against their objectives and GNH aspirations. These platforms would help enhance transparency, increase stakeholder engagement, and integrate diverse perspectives into the policy process, thereby supporting the continuous evolution and effectiveness of the country's public policies.

In light of the transformation that the country is undergoing, including major developments such as the National Digital ID, Gyalsung National Service and the Gelephu Mindfulness City, it is also proposed that a secretarial level committee be created to gauge how existing policies interact with the aspirations of these transformative initiatives and how the experience and learning from them could be adopted into new policies. Ultimately a new and dynamic policy process has to be created which fosters a continuous learning, unlearning and relearning process to help policies evolve and adapt in a nimble and effective manner to achieve their intended objectives and the larger national aspirations.

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Annexure

List of Stakeholder Consultations

Sl No	Date	Remarks
1	29 Sep 2023	Meeting with Secretaries
2	2 Oct 2023	Meeting with DHI CEO
3	11 Oct 2023	Meeting with DHI CEOs
4	23 Oct 2023	Meeting with SOE CEOs