



**ANNUAL REPORT**  
**(July 2016- June 2017)**  
**STATE OF THE ROYAL CIVIL SERVICE**

**Royal Civil Service Commission**  
**ROYAL GOVERNMENT OF BHUTAN**



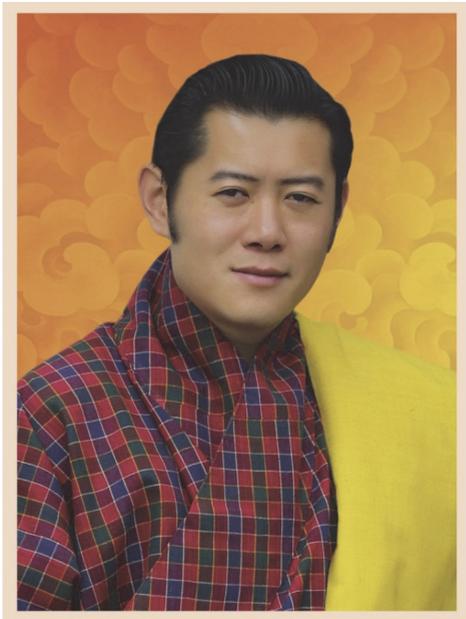
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“The acronym for these extraordinary qualities of the Bhutanese people - Sincerity, Mindfulness, Astuteness, Resilience, and Timelessness - is **SMART**. Bhutan has always been a smart nation. That is why we must continue to build smart institutions, and that is why it is imperative that our people remain smart. We must nurture these wonderful qualities and remember every day, how they have defined us as a nation and as a people. We must remember that these qualities will help us navigate the 21<sup>st</sup> century and build an even better place. Our country has an extremely bright future and that future is in your hands.”

**His Majesty The King, RUB Convocation, 7 June 2017**



## List of Abbreviations

AAS	Australians Award Scholarships
ACC	Anti-Corruption Commission
ACF	Agency Categorisation Framework
ADA	Austrian Development Assistance
ADC	Austrian Development Cooperation
APA	Annual Performance Agreement
APEX	Autonomy, Purpose, Engagement, and Excellence
APT	Annual Performance Target
AVID	Australian Volunteers for International Development
BAFRA	Bhutan Agriculture and Food Regulatory Authority
BCF	Bhutan Canada Foundation
BCSE	Bhutan Civil Service Examination
BCSR	Bhutan Civil Service Rules & Regulation
BCSS	Bhutan Civil Service System
BEST	Bhutan Executive Services Training
BHTF	Bhutan Health Trust Fund
BICMA	Bhutan InfoCom & Media Authority
BQA	Bhutan Qualifications Authority
B. Ed	Bachelor of Education
CE	Continuing Education
CS	Cabinet Secretariat
CSAB	Civil Service Act of Bhutan
CSCF	Civil Service Competency Framework
CSIS	Civil Service Information System
CSSD	Civil Service Support Desk
CSW	Civil Service Well-being
CSWS	Civil Servants' Welfare Scheme
CV	Curriculum Vitae
DAHE	Department of Adult and Higher Education
DAMC	Department of Agricultural Marketing Cooperatives
DFS	Duty Free Shop
DITT	Department of Information and Technology
DMEA	Department of Macroeconomics Affairs
DNP	Department of National Properties
DOS	Department of Occupational Standards
DoA	Department of Agriculture
DoFPS	Department of Forest and Park Services
DoI	Department of Industry
DoL	Department of Livestock
DRA	Drug Regulatory Authority
DT	Design Thinking
EM	Exit Management

EOL	Extraordinary Leave
ESC	Executive and Specialist Category
ESP	Elementary Service Personnel
ERS	Early Retirement Scheme
ExFo	Executive Forum
FY	Fiscal Year
FFT	Friends from Thailand
FLMP	Future Leaders Mentoring Programme
FLP	Foundational Leadership Programme
G2C	Government-to-Citizen
GDC	Government Data Center
GDP	Gross Domestic Product
GNHC	Gross National Happiness Commission
Goi	Government of India
GPMS	Government Performance Management System
GSP	General Service Personnel
HMS	His Majesty's Secretariat
HR	Human Resource
HRD	Human Resource Development
ICT	Information and Communication Technology
IWPs	Individual Work Plans
JDWNRH	Jigme Dorji Wangchuck National Referral Hospital
JICA	Japan International Cooperation Authority
KGUMSB	Khesar Gyalpo University of Medical Science of Bhutan
LCP	Leadership Capability Framework
LFS	Leadership Feedback System
LG	Local Government
LTT	Long-Term Training
MaX	Managing for Excellence
ME	Main Examination
ModeX	Moderation Exercise
MoE	Ministry of Education
MoEM	Ministry of Energy and Minerals
MoF	Ministry of Finance
MOG	Major Occupational Group
MoH	Ministry of Health
MoLHR	Ministry of Labour & Human Resources
MoTIE	Ministry of Trade, Industry and Employment
MoU	Memorandum of Understanding
MoWHS	Ministry of Works & Human Settlement
NCWC	National Commission for Women & Children
NGoP	National Graduate Orientation Programme
NHMC	National Hydrology and Metrology Center
NLCS	National Land Commission Secretariat

NSB	National Statistical Bureau
OAG	Office of the Attorney General
OC	Operational Category
ODE	Organisational Development Exercise
OSA	Officer on Special Assignment
PCS	Position Classification System
PE	Preliminary Examination
PEMS	Public Expenditure Management System
PER	Performance Evaluation Rating
PGDE	Postgraduate Diploma in Education
PGDFM	Postgraduate Diploma in Financial Management
PGDPA	Postgraduate Diploma in Public Administration
PGDNL	Postgraduate Diploma in National Law
PMC	Professional and Management Category
PMS	Performance Management System
QAAD	Quality Assurance and Accreditation Division
RAA	Royal Audit Authority
RBP	Royal Bhutan Police
RCSC	Royal Civil Service Commission
RGoB	Royal Government of Bhutan
RICBL	Royal Insurance Corporation of Bhutan Limited
RIGSS	Royal Institute of Governance & Strategic Studies
RIM	Royal Institute of Management
RIU	Revenue Intelligence Unit
RoD	Record of Discussions
RRCO	Regional Revenue and Custom Office
RSTA	Road Safety and Transport Authority
RTIO	Regional Trade and Industry Office
SKRAs	Sectoral Key Result Areas
SOEs	State Owned Enterprises
SOP	Standard Operating Procedure
SP	Singapore Polytechnic
SPLD	Succession Planning & Leadership Development
SS	Senior Supervisor
SSC	Supervisory and Support Category
STT	Short-Term Training
TAT	Turnaround Time
TCB	Tourism Council of Bhutan
TFIGPA	Temasek Foundation International Governance and Public Administration
TICA	Thailand International Cooperation Scholarship
ToR	Terms of Reference
ToT	Training of Trainer
TPS	Trongsa Penlop Scholarship

TRC	Teaching Resource Cluster
TRCDAD	Treatment & Rehabilitation Centre for Drug & Alcohol Dependence
WC	Well-being Committee
YPLP	Young Professional Leadership Programme

## INTRODUCTION

As enshrined in Article 26, Section 9 of the Constitution of the Kingdom of Bhutan and in compliance to Section 19 of the Civil Service Act of Bhutan (CSAB) 2010, the Royal Civil Service Commission (RCSC) is honoured to submit its third Annual Report for the period July 2016 to June 2017 to The Druk Gyalpo and the Prime Minister.

The Commission would like to submit our deepest gratitude to His Majesty The King for the guidance and encouragement bestowed on us and all civil servants. For the RCSC and the servants of the State, there can be no higher inspiration than His Majesty's far sighted leadership and wisdom, and no other greater purpose than serving the Nation with *Lui Nga Yid Sum*.

All Bhutanese take the biggest pride and honour in serving the State, which is the highest entity of our society. His Majesty The Druk Gyalpo who is the Head of the State and the epitome of wisdom and our national values has always inspired civil servants to serve our society selflessly. In the institution of monarchy, the country sees the continuity of leadership and stability, ushering in unprecedented peace, prosperity and progress.

The RCSC as a key public institution derives its values from the State. It shall continue to uphold its sacred values of meritocracy, apoliticalness, professionalism, transparency and integrity while discharging its mandate as the central personnel agency of the Government. Civil servants around the Kingdom, from Lunana to Lhamoizingkha, carry out their jobs with dedication, driven primarily by an intrinsic urge to serve our King, Country and People. The RCSC will continue to foster and nurture the passionate & self-less spirit of service to the nation in every civil servant.

The Commission, in its efforts to deliver its constitutional mandates, has held a total of 101 Commission meetings between 21<sup>st</sup> May 2014 and 30<sup>th</sup> June 2017 and rolled out the five strategic reforms that it embarked upon from the first year of taking office. The Commission is in the process of institutionalising the five reforms, namely: 1) Organisational Development (OD) Exercise to Right Size the Civil Service; 2) Managing for Excellence (MaX) System to enhance performance and productivity; 3) Succession Planning and Leadership Development (SLPD) for Great Leadership; 4) Bhutan Civil Service System (BCSS) reforms for institutional strengthening of the Civil Service; and 5) Civil Service Well-being (CSW) initiatives to help attract, retain and motivate civil servants. The Commission is hopeful that with the reforms implemented and full rollout of MaX by 2017-18, the Civil Service culture will be strengthened to realise "Excellence in Service".

In its earnest efforts to effectively introduce key reforms in the Civil Service, the Commission initially started with the process of preparing the civil servants for the change during the first and second years of its tenure by explaining the necessity and purpose of reforms. A number of consultations were held with civil servants throughout the country. During the current reporting period, the Commission focused

more on solidifying the reforms towards sustaining the changes. To complement the reforms, the Commission also initiated a number of other strategic interventions such as Civil Service Forecast till 2025 for a clear line of sight, as well as initiatives in Human Resource (HR) recruitment planning; competency development framework to guide key HR investments and human capital development; and Design Thinking (DT) training to foster innovation and creativity and service delivery orientation. The Commission is positive that all these initiatives will support the Government in delivering the national development plans and programmes to achieve the vision of Gross National Happiness.

In implementing the reforms, which touches almost all the 28,000+ civil servants, and is quite ambitious in its scope, the Commission is happy to report that there has been solid support from the civil servants. For instance, among others, the reforms led to the dissolution of redundant departments, reduced the opportunities for technical civil servants to move into general areas so as to foster specialisation, did away with eligibility certificates entry to uphold the principle of equal pay for equal value of work, stopped Government support to in-service civil servants pursuing a first degree in light of the large number of graduates readily available in the market, rationalised and reduced entry Position Level for certain fields and introduced a performance management system (PMS) that forces differentiation between those who perform and those who do not. In spite of all these changes, grievances were few. In fact, the only grievance arose from a small group of Supervisory and Support Category (SSC) personnel who desired that they should be placed together with the BCSE selected Professional and Management Category (PMC) personnel. Since their grievances were not found reasonable, it was not entertained. The group then sought the intervention of the Prime Minister and the two Houses of the Parliament. The Commission clarified at length that the reforms are intended for creation and promotion of a strong and coherent Civil Service system. In fact, all through the reforms, the civil servants have been called on to keep aside their vested interests and be guided by apolitical values to ensure continuity of the system. It was made clear that the primary objective of the reform is to uphold the principle of placing the right person in the right job and to retain professionals by allowing movement of civil servants only to the relevant positions whereby they remain true to their entry position. Unfortunately, whether intended or not, the action of this small group of civil servants has set an undesirable precedent of civil servants approaching political authorities for Civil Service matters when they feel they might receive support. The Commission continues to request all concerned that the independence of RCSC in the matters of the Civil Service must be upheld if the constitutional intent of an apolitical Civil Service is to be maintained. It must be emphasised that the bureaucracy must be driven by rationality and logic in its decision making process for the strength and stability of the Civil Service system. Apart from this case, civil servants have understood the benefit of the reforms for the larger objective of shaping an apolitical, meritocratic & professional Civil Service, thus enabling smooth implementation.

While concerted efforts are made to pursue the policy of maintaining 'a small, compact and efficient Civil Service', there are concerns on the existing ratio of 1:27(Projected

Population of 2016 is 768,577, Population Projection of Bhutan, 2005-2030, NSB) civil servants to citizens. Containing the number of civil servants and arriving at the “right size” is increasingly becoming a serious challenge with mounting pressure on the Government to take all public services to the doorstep. This challenge will continue, if not increase, so long as the growth is driven by standards to deliver equitable basic services to all sections of the public, including those who live in remote and thinly spread out settlements across the country. In such a scenario, the approach to staffing based on cost effectiveness and economies of scale do not hold in delivering public services like healthcare and education. Currently, 44% of the recurrent budget is spent on personnel emoluments and therefore further increase in personnel size without corresponding productivity and contribution to the GDP will be costly. On its part, the Civil Service will continue to be rationalised through the OD Exercise, enforcement of protocols for creation of Agencies, and implementation of the new performance systems. The Commission has also adopted a policy to maintain a mix of regular and contract civil servants to ease current needs and deployment challenges but allow flexibility in workforce planning and management in the event some services/positions become redundant or irrelevant in the future. For e.g., at all times, 10% of the teachers will be recruited on contract.

The Commission also believes that the instrument of budgetary control on personnel needs to be introduced gradually to ensure discipline in the recruitment and utilisation of personnel. Moreover, reducing the personnel costs at the national level cannot be addressed through the intervention of the RCSC alone if public Agencies outside the Civil Service do not exercise the same discipline in recruiting their personnel since ultimately, all public funds come from the same source.

The Commission has made concerted efforts on strengthening leadership in the Civil Service for continued success and performance of the organisations and the people they lead. Besides the leadership enhancement training and forum, the Commission also launched an ICT enabled 270° Leadership Feedback System (LFS). The system will manage the annual feedbacks provided by the supervisors, subordinates and peers to the civil servants in leadership position from division chiefs and above.

Also, a notable recommendations made by the Commission to all the Government Secretaries is to institute a Civil Service tradition whereby Government Secretaries submit periodic reports to His Majesty The King. As top civil servants representing the “permanent” government, and thus critical for ensuring continuity of policies and programmes, it has become important that they also submit directly and periodically, to His Majesty The King, the bureaucracy’s perspective, especially on issues of national importance in their respective sectors. Among others, this should help the protection and promotion of national interests irrespective of the inclination of the political leadership of the day.

Recognising the well-being of civil servants as essential and fundamental to their performance, the Commission in fulfilling its mandate as prescribed in Section 27(f) and Section 89 of the CSAB 2010 is now focusing on softer interventions such

as Civil Service Well-being (CSW) initiatives to maintain a safe and healthy working environment including health, safety and welfare of the civil servants. Future Leadership Mentoring Programmes (FLMP) and Retirement Planning are some of the important well-being initiatives undertaken during the reporting period.

In order to enhance the performance culture in the Civil Service, the Commission is also implementing a new PMS called the Managing for Excellence. The key feature is that it aligns individual efforts of civil servants {Individual Work Plans (IWP)} towards the achievement of organisational goals {Annual Performance Agreements (APA)}. This is used to differentiate performers from non-performers in the Agencies. As a result of the linkage of Government Performance Management System (GPMS) with civil servants work plan, MaX is expected to ensure higher accountability in achieving the targeted outputs besides helping to avert complacency and addressing the indifference to performance that characterised the old system. HR incentives for civil servants are also based on the GPMS scores. In order to facilitate smooth implementation of this important reform, a MaX Manual has been developed, civil servants have been trained and a number of Moderation Exercises (ModeX), (the process of assigning staff into four performance categories) have been conducted across all Agencies.

With only a year left to the end of the 11<sup>th</sup> Five Year Plan (FYP), the Commission has engaged in the formulation of 12<sup>th</sup> FYP. The Commission will pursue placing Civil Service HR investments amongst the priorities for the next FYP. Such investments are going to be critical for the Civil Service to build on the reforms and to continue to be the main foundation of Bhutan's further growth and prosperity. For the RCSC itself, the focus in the next five years will be on the following Agency Key Result Areas:

1. Enhancement of public service delivery;
2. Right-Sizing of Civil Service;
3. Promotion of leadership in Civil Service;
4. Improvement in efficiency & effectiveness of Civil Service;
5. Strengthening meritocracy in the Civil Service;
6. Adequate deployment of civil servants in the LGs;
7. Enhancement in the decentralisation of HR functions; and
8. Ensuring transparency, accountability and integrity.

RCSC has begun working with the sectors on the formulation of 12<sup>th</sup> FYP Human Resource Development (HRD) Plan which will be focused and aligned to specific competency development frameworks to ensure systematic capacity development in the Civil Service. Furthermore, to ensure all sectors get the necessary HRD support, the Commission is working with the Gross National Happiness Commission (GNHC) to allocate a certain percentage of the sectors outlay for the HRD (to be funded from domestic revenues) besides allocating funds for cross-sector HRD development.

Furthermore, to make the Civil Service system more robust, the RCSC is cementing its reforms through rationalisation of Civil Service rules and regulations and updation

of Bhutan Civil Service Rules and Regulation (BCSR) 2012. The revised BCSR 2017 will feature new chapters on Executives & Specialists and CSW besides emphasising apolitical values and behaviours under the Civil Service Code of Conduct and Ethics.

In the interest of greater transparency as well as to ensure that the Secretariat is able to provide seamless continuity, the Commission has also changed the approach to its work. Previously, only the Director attended the Commission meetings. Recognising that it would be desirable that civil servants know the basis and rationale behind the Commission's decisions, as well as the fact that discussions and decisions can benefit from the institutional memory and experience of the Secretariat, Commission meetings are attended by the Director and the heads of the divisions of the RCSC. This was introduced soon after the Commission was appointed. All present are requested to maintain confidentiality but as a result, when the Secretariat conveys the Commission's decisions, they are able to provide the rationale and basis behind the decisions.

The Commission fully recognises the wisdom that employees are behind the success of any organisation. Therefore, the Commission has adopted a conscious philosophy of "civil servants first" in the use of its discretion on matters related to the Civil Service. Thus, in all exceptional matters that the Commission deals with, unless there is harm to the national interest or the overall interest of the Civil Service, the benefit of its decisions is always given to the civil servants.

The Commission also makes public its Annual Report, which was previously kept confidential. Since the Annual Report covers activities of the Commission and thereby, the state of the Civil Service, it is important that civil servants are able to see how their interests and issues are being surfaced and addressed by the Commission.

The Commission will continue to support public service delivery by championing the role of a unified Civil Service, not swayed by vested interests, and political influences but rather aligning its human resources and strategic vision towards the achievement of the national objectives of sovereignty, security and self-reliance. Further, the Commission will also continuously strive to make the Civil Service and its institutions SMART.

## i. Representation of Commission in Boards/Committees and Lead Role in Reforms

Commission Members	Boards/Committees/Key Reforms
Dasho Karma Tshiteem	Vice Chairperson, Royal Institute of Governance and Strategic Studies Member, Governing Board, The Royal Academy Member, Kidu Foundation Lead role in Leadership and Executive Development Programmes and reforming Bhutan Civil Service Systems (two of the key reforms besides overseeing all other reforms)
Lhendup Wangchu	Member, Dzongkha Development Commission Focal person for Civil Service Well-being Scheme (one of the key reforms)
Indraman Chhetri	Member, Tertiary Education Board Member, National HRD Committee Board Member, Royal Institute of Management Focal person for Organisational Development Exercise - (one of the key reforms)
Karma Hamu Dorjee	Chairperson, Nehru-Wangchuck Scholarship Award Committee Member, Governing Council, Jigme Singye Wangchuck School of Law Member, De-Suung Executive Council Focal person for Performance Management System - (one of the key reforms)
Kesang Deki	SAARC Nodal Officer Member, Bhutan Accreditation Council Member, Royal Education Council Member, Teacher Education Board Focal person for Organisational Development Exercise - (one of the key reforms)

## ii. Award of Gyentag

His Majesty The King conferred the *Gyentag* to the Commissioners: Karma Hamu Dorjee and Kesang Deki of the RCSC on 4<sup>th</sup> August, 2016.

The *Gyentag* (literally “symbol of responsibility”) is the insignia for women *poenkhas* and is awarded in recognition of their official positions. It comprises an ornamental bar pin and white fringeless *Rachu*, and is equivalent to the *Patang* and *Kabney* conferred to their male counterparts.

### iii. Visits Abroad by Commission

Name	Travel Date		Place/Country	Purpose
	From	To		
Dasho Karma Tshiteem	22 June, 2017	23 June, 2017	The Hague, the Netherlands	Chaired SDG 11 Session at the UN Public Service Award
	21 November, 2016	25 November, 2016	South Korea	Keynote Speaker at the 7 <sup>th</sup> Asian Futures Forum
Karma Hamu Dorjee	22 June, 2017	8 July, 2017	South Korea	
Kesang Deki	25 August, 2016	9 September, 2017	South Korea	Programme for HR Development in Public Sector, KOICA.
	19 July, 2017	21 July, 2017	Malaysia	Asia Pacific Regional Policy Forum For ECCD.
Lhendup Wangchu	22 October, 2016	6 November, 2016	Singapore and Thailand	Attend 5 <sup>th</sup> Temasek Foundation International Governance & Public Administration (TFIGPA) Programme and visit to OCSC, Thailand.
	15 May, 2017	19 May, 2017	Thailand	Study visit on Thailand's sufficiency economy philosophy and institutional visits.

### iv. Focal Commissioners for Agencies

In order to effectively respond to the human resource management and development issues of the Agencies and to implement the key reforms initiated by the Commission, every Commissioner serves as focal point for different Ministries, Autonomous Agencies and *Dzongkhags*. The focal Commissioners deal with all policies and planning aspects of human resource management and development including other strategic issues of the Agencies under the overall directive of the Chairperson and within the framework of the CSAB 2010, BCSR and other guidelines as approved by the Commission. The focal Commissioners are also responsible for implementing the

five reforms in their assigned Agencies with support of the Secretariat staff. Annexure I provides information on the Division of Responsibilities of the Commissioners.

#### **v. Meeting of Constitutional Bodies**

In keeping with His Majesty's desire that Constitutional Bodies with important responsibilities work together towards the common purposes of the nation's interest, the RCSC organised the first meeting of the Constitutional Bodies after appointment of the second Commission. It was held on 8<sup>th</sup> October, 2015 and hosted by RCSC, with the objective to strengthen areas of cooperation, resolve any issues internally, and find ways to support each other. The meeting was attended by all the Commission members of the Constitutional Bodies.

The second meeting was hosted by ECB on 12<sup>th</sup> May, 2016 at the Democracy House. During the second meeting, issues related to HR were discussed at length. Furthermore, during the meeting, it was agreed that a bilateral talk would be convened between ECB and RCSC to find ways to bridge the gap that exists following the delinking of the ECB employees from the Civil Service.

The third meeting was hosted by RAA on 3<sup>rd</sup> March, 2017 at the Conference hall of RAA. During the third meeting, issues related to Annual Performance Target Evaluation of the Constitutional Offices as well as inconsistencies in the Entitlements/Benefits of the Constitutional Positions Holders were discussed.

#### **vi. Budget Summary for Fiscal Year (FY) 2016-17**

The RCSC's total budget for the fiscal year (FY) 2016-17 was revised to Nu. 373.743 M from the approved budget of Nu. 286.954 M. The increase in the revised budget is attributed to additional and new supplementary budget incorporated during the year for activities such as Young Professional Leadership Programme (YPLP), Foundational Leadership Programme (FLP), Bhutan Civil Service Examination (BCSE), Civil Service Awards, purchase of Vehicles, etc. A major portion of the supplementary budget incorporated was under Government of India - Project Tied Assistance (GOI-PTA) Project for adjustment of prior-year advance.

A large portion of budgetary support to RCSC was provided through donor-funded projects, namely the Government of India (GoI) and the Austrian Development Assistance (ADA). From the total revised budget of Nu. 373.743 M, the GoI funded Nu. 217.447 M through GoI-PTA project to professionalise the Civil Service and Nehru-Wangchuck Scholarship Programme (NWSS), the Government of Austria funded Nu. 14.575 M through ADA Project for SLPD and MaX, the Netherlands Government funded Nu. 0.261 M through Sustainable Human Resource Development Project (SHRD-II) for training of civil servants (spillover of the last FY) while the remaining budget of Nu. 141.460 M was supported through Royal Government of Bhutan (RGoB) funding.

As the central personnel Agency of the government, the RCSC is mandated to cater to the professional development and training needs of the entire Civil Service. During the year, a sum of Nu. 276.234 M was allocated entirely for this purpose while Nu. 15.601 M was spent for the conduct of the Bhutan Civil Service Examinations (BCSE). The operational expenditure for RCSC Secretariat was Nu. 81.908 M only.

The following tables provide the snapshot of the revised budget and expenditure for the FY 2016-17:

*Table 1: Budget Summary (in M)*

	<b>Current</b>	<b>Capital</b>	<b>Total</b>
Revised Budget	68.377	305.366	373.743*
Expenditure	67.767	252.399	320.166**

As depicted in the table above, total expenditure incurred during the FY is Nu. 320.166 M against the total revised budget of Nu. 373.743 M. 85.665% of the budget was utilised. Further, the budget utilisation status of current budget and capital budget was 99.12% and 82.655%, respectively. The underutilisation was mainly driven by delay in fund release for those projects funded by the GOI (GOI-PTA and NWSS Programme under HR Development), which constituted 58.181% of the total budget. However, these funds and related activities will be implemented in the coming FY.

*Table 2: Budget Summary by Activities (in M)*

<b>Activity code</b>	<b>Activity Name</b>	<b>Budget</b>	<b>Expenditure</b>	<b>% of Budget Utilised</b>
1	Administration and Management	58.11	57.54	99.02
2	Human Resource Development	267.134	219.699	82.243
3	Organisational Development Exercise	4.695	4.692	99.936
4	Bhutan Civil Service Examination	15.601	15.599	99.987
5	Information Technology Upgradation	1.94	1.775	91.495
6	Human Resource Audit	0.37	0.368	99.459
7	Succession Planning and Leadership Development	14.7	9.424	64.109
8	BCSR Updation	2.726	2.602	95.451
9	Civil Service Well-being	0.632	0.632	100
10	Management for Excellence	7.835	7.835	100
<b>Total</b>		<b>373.743</b>	<b>320.166</b>	<b>85.665</b>

Nu. 138.322 M was spent against the budget provision of Nu. 141.46 M under RGoB funding, which, works out to 97.782%.

**Note:**

\* From the Revised Budget of Nu. 373.743 M, Nu. 47.980 M pertains to budget provided for adjustment of prior year advance for Gol-PTA Project and Nu. 3.177 M was budgeted over and above the funds committed by ADA Project. Hence, the total budget available for FY was Nu. 322.568 M only.

\*\* The expenditure reported above are as per the records maintained in Public Expenditure Management System (PEMS) and does not include the advances released to the Agencies as depository work since the Agencies are yet to settle the advances. Transactions under Deposit Works will be reflected as expenditure in PEMS only when the Agencies submit the expenditure reports. Thus, the expenditure amount of Nu.320.166 M reflected above does not include the Deposit Works advance made during the FY to the tune of Nu. 23.884 M. Further, a sum of Nu. 3.179 M has been refunded as unutilised funds by the Agencies that settled their Deposit Works advances and are deposited into Government Non-Revenue Account.

## PART 1 - CIVIL SERVICE STATISTICS

### 1.1 Employee Compensation

Tables 3 and 4 provide overall status of Civil Service cost and employment. This highlights development at a national scale, which is important to monitor given the concerns of a rapidly growing Civil Service. Included are some comparators (2010) for reference. Notwithstanding the differences in definition of Civil Service, and growth in our Civil Service over the years, the total cost of compensation compares quite favorably (Table 3) such as total Civil Service compensation as a percent of GDP. However, Bhutan's compensation of employees as share of domestic revenue, at around 36%, is on the higher side. The fact that the share of Civil Service compensation now accounts for a little more than a third of domestic revenues raises fiscal sustainability concerns and thus will be monitored closely to keep it from growing further. Table 4 shows that in terms of the average Civil Service wage level relative to living standards (GDP per capita), it is above average.

Table 3: Compensation of Employees

Compensation of Employees	2002-2003	2007-2008	2015-2016	IMF 2010*			
				Africa	Asia & Pacific	Low income	Middle income
Compensation of employees as share of total GDP	5.97%	6.26%	7.55%	8.15%	5.85%	6.10%	8.00%
Compensation of employees as share of total spending	17.63%	17.21%	22.31%	31.90%	26.85%	27.20%	29.70%
Compensation of employees as share of domestic revenue	36.64%	27.45%	35.57%	30.10%	25.30%	27.35%	27.10%

\*Source: *Evaluating Govt. Employment and Compensation*, IMF Sept. 2010, Table 1. (Employees include Central & General Employment)

Table 4: Employment and Wage Level

Employment	2002-2003	2007-2008	2015-2016
Government employment as percentage of private sector employment	71.32%	NA	NA
Government employment as percentage of total employment	6.78%	7.41%	NA
Government employment as percentage of population	2.40%	2.25%	3.52%
<b>Wage Level</b>			
Average government wage as a share of competitor private sector wages	NA	NA	224.83%
Average government wage as a share of GDP per capita	298.20%	209.44%	194.36%
Ratio of the highest government wage to the lowest (compression ratio)	6.89	6.74	6.42

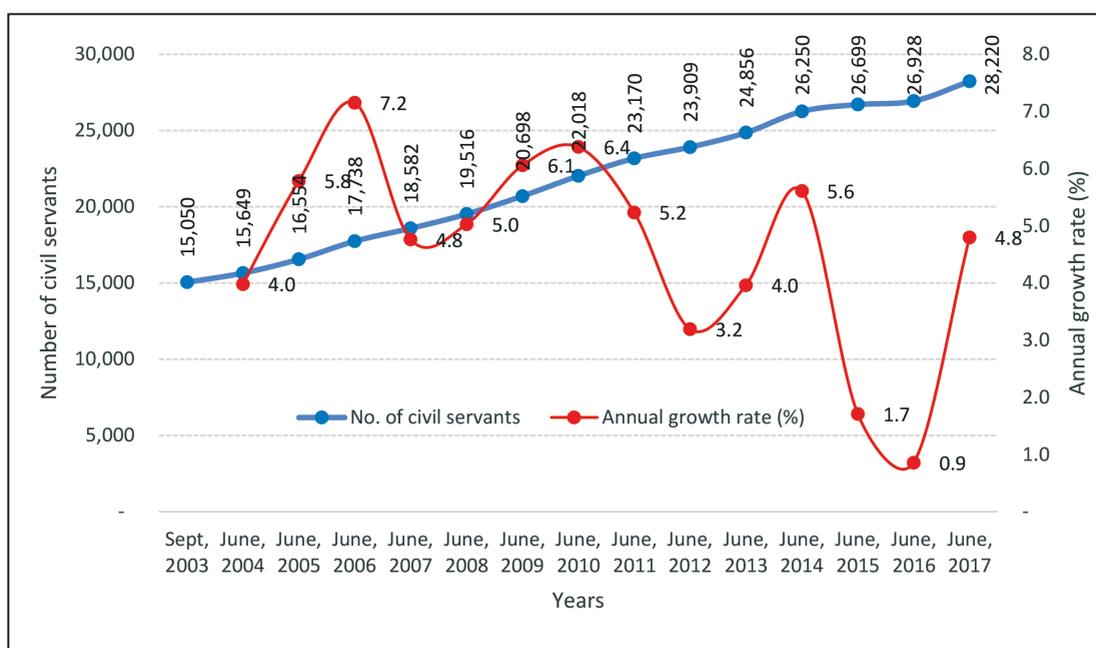
Note: Labor Force Survey 2016 is not yet published

\*Government refers to the Civil Service only

## 1.2 Civil Service Staffing Trend

The strength of the Civil Service as on 30<sup>th</sup> June, 2017 was 28,220 comprising of 25,981 regular civil servants and 2,239 on contract.

Chart 1: Civil Service Staffing Trend (2003-2017)



The cumulative growth in the Civil Service strength as on 30<sup>th</sup> June, 2017 compared to the strength on 30<sup>th</sup> September, 2003 was 87.51%. The annual growth rate for the year 2017 was 4.80% as compared to 0.86% in 2016, 1.71% in 2015, 5.61% in 2014, 3.96% in 2013, 3.19% in 2012 and 5.23% in 2011. The decrease in the annual growth rate (2016) was attributed mainly due to freezing of recruitment for non-critical positions, rationalisation of Agencies including divisions and merger of positions to ensure optimum workload, and redeployment of staff from the existing stock of employees. The significant increase in the annual growth rate in June 2017 can be attributed to the inclusion of consolidated contract employees in the Civil Service strength (such as teachers, drivers, including for 205 utility vehicles, Assistant Research Officers for the National Assembly Secretariat and National Council, matrons/wardens and sports coaches in schools and single window recruitment (to ensure strategic and systematic recruitment) which came into effect from 1<sup>st</sup> January 2017.

*Table 5: Composition of Civil Servants by Position Category*

Position Category	2003		2008		2016		2017	
	Total	%	Total	%	Total	%	Total	%
Executive and Specialist <sup>1</sup>	106	0.7	242	1.24	253	0.94	268	0.95
Professional and Management	4,513	29.99	9,640	49.4	13,093	48.62	13,693	48.52
Support and Supervisory	6,850	45.51	7,661	39.25	11,574	42.98	12,116	42.93
Operational	3,581	23.79	1,973	10.11	2,008	7.46	2,143	7.59
<b>Total</b>	<b>15,050</b>	<b>100</b>	<b>19,516</b>	<b>100</b>	<b>26,928</b>	<b>100</b>	<b>28,220</b>	<b>100</b>

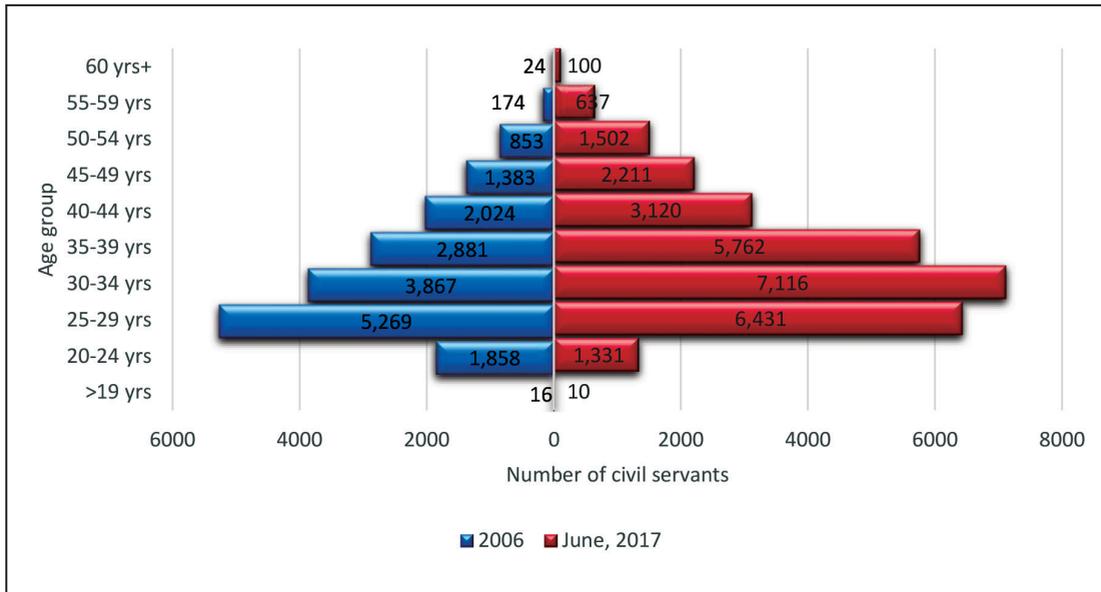
<sup>1</sup>includes Eminent Members of the National Council

As on 30<sup>th</sup> June, 2017, of the total of 28,220 civil servants, the PMC represents the largest group of around 49% followed by SSC with 43% and Operational Category (OC) with 8% while Executives and the Specialists Category (ESC) represent only 1% of the total civil servants.

### 1.3 Age Profile of the Civil Service

Age profile of the civil servants shows that the median age of civil servants is 34 as on 30<sup>th</sup> June 2017. Further, it shows that 25% of the civil servants are younger than 29 years while another 25% of them are older than 40 years. The median age for females in the Civil Service is 32 years which is three years younger than male. Compared to 2006, the Civil Service has aged by eight years in 2017.

Chart 2: Distribution of Civil Servants by Age Group



### 1.4 Gender Profile of the Civil Service

The percentage of male civil servants is around 64.12% and that of female is around 35.88%. Out of a total of 18,094 male civil servants, 16,634 are on regular service and 1,460 are on contract service. From the total of 10,126 female civil servants, 9,347 are on regular service and 779 are on contract service. Over the past 20 years, the number of females in the Civil Service has almost quintupled from 2,180 to 10,126 or 16% to around 36% of the total civil servants today, thus reducing the gender gap significantly.

Chart 3: Civil Servants by Gender (1996 – 2017)

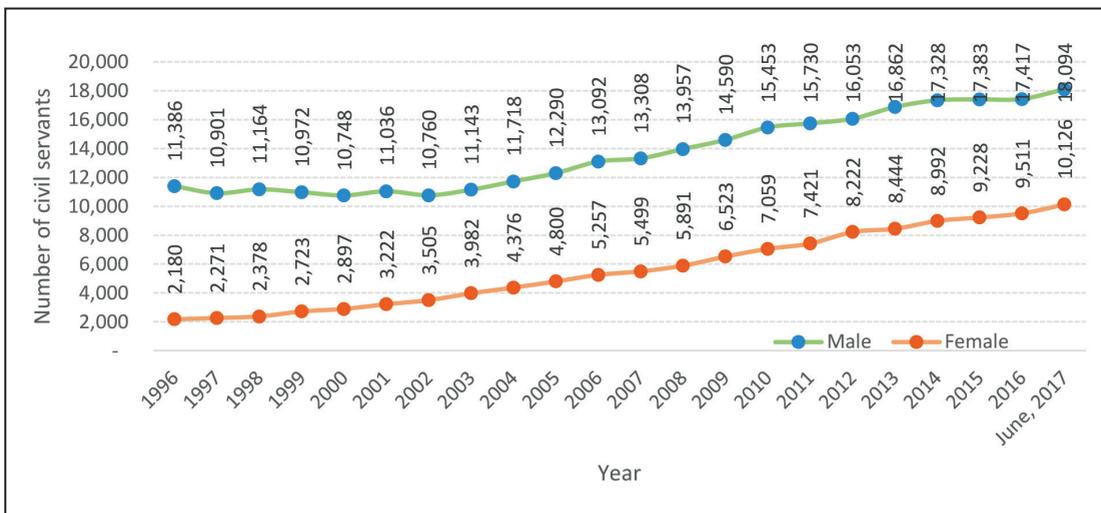


Table 6: Civil Servants by Gender and Age Groups

Age Group	2003	2008			30 June, 2017		
	Total	Female	Male	Total	Female	Male	Total
19 yrs & Below	193	2	-	2	4	6	10
20 - 24 yrs	2,866	584	496	1,080	700	631	1,331
25 - 29 yrs	3,576	2,383	3,514	5,897	2,838	3,593	6,431
30 - 34 yrs	2,905	1,407	3,020	4,427	2,800	4,316	7,116
35 - 39 yrs	2,037	664	2,343	3,007	2,042	3,720	5,762
40 - 44 yrs	1,407	420	1,872	2,292	906	2,214	3,120
45 - 49 yrs	848	196	1,219	1,415	479	1,732	2,211
50 - 54 yrs	375	77	956	1,033	265	1,237	1,502
55 - 59 yrs	34	27	315	342	85	552	637
60 + yrs	7	3	18	21	7	93	100
<b>Total</b>	<b>14,248</b>	<b>5,763</b>	<b>13,753</b>	<b>19,516</b>	<b>10,126</b>	<b>18,094</b>	<b>28,220</b>

### 1.5 Age and Gender Profile of Executives/Specialists

There are a total of 268 civil servants in the Executive & Specialists Category (ESC) as on 30<sup>th</sup> June, 2017. Of the total, 156 are Executives (includes eminent members of the National Council) and 112 Specialists (Table 7). ESC that provide leadership to the bureaucracy account for less than one percent of the total Civil Service strength. The Civil Service is not top heavy. On average, in other bureaucracies, the ESC account for around 3 – 5%.

The average age of civil servants in ESC is 52 as on 30<sup>th</sup> June, 2017. The majority of the Executives and Specialists fall in the age group of 50- 54 (35.07%). There are 82 (30.60%) of them above the age of 55 meaning that they would be superannuating in the next five years (Table 8).

Table 7: Gender Profile for Executives/Specialists by Position Level

Position Level	Gender		Total
	Female	Male	
No level <sup>1</sup>	1	2	3
EX1		26	26
EX2	3	49	52
EX3	10	65	75
ES1	1	3	4
ES2	4	30	34
ES3	11	63	74
<b>Total</b>	<b>30</b>	<b>238</b>	<b>268</b>

<sup>1</sup>includes Eminent Members of the National Council

Table 8: Age Group and Gender Profile of Executives/Specialists

Age Group	Gender		Total
	Female	Male	
40-44	5	12	17
45-49	9	59	68
50-54	11	83	94
55-59	5	77	82
>60		7	7
<b>Total</b>	<b>30</b>	<b>238</b>	<b>268</b>

Female Executive/Specialists make up around 11% of the group. While the Commission recognises the gender gap issues, finding solutions that will help address the gap while upholding meritocracy remains a challenge. One promising sign, however, is that the gender gap in the P1 Position Level, which is the pool for the Executives/Specialists, is lower, with females making up 26% of the total. Thus, the gender gap in this group should narrow in the near future though it would still be a considerable distance away from the overall female participation level of around 35% in the Civil Service. For instance, after the appointment of the current Commission in 2014, 26 Executives were recruited through Open Competition out of which six were females. For this reporting period 2016-2017, 4 out of 17 Executives recruited were females.

## 1.6 Length of Service

The present average length of years of service is 12 years. The average length of years of service by Position Category is as shown in Table 9. Given a full working service period of around 35 years on average, this reflects the youthfulness of the Civil Service.

Table 9: Length of Service

Position Category	No. of civil servants	Average length of service (in years)
Executive and Specialist <sup>1</sup>	268	27
Professional and Management	13,693	10
Support and Supervisory	12,116	12
Operational	2,143	11
<b>Total</b>	<b>28,220</b>	

### 1.7 Civil Service by Location

With a total of 8,806 civil servants, Thimphu *Dzongkhag* has the highest number of civil servants followed by Chhukha with 2,055 and Sarpang with 1,791. Gasa *Dzongkhag* has the least number of 286 civil servants.

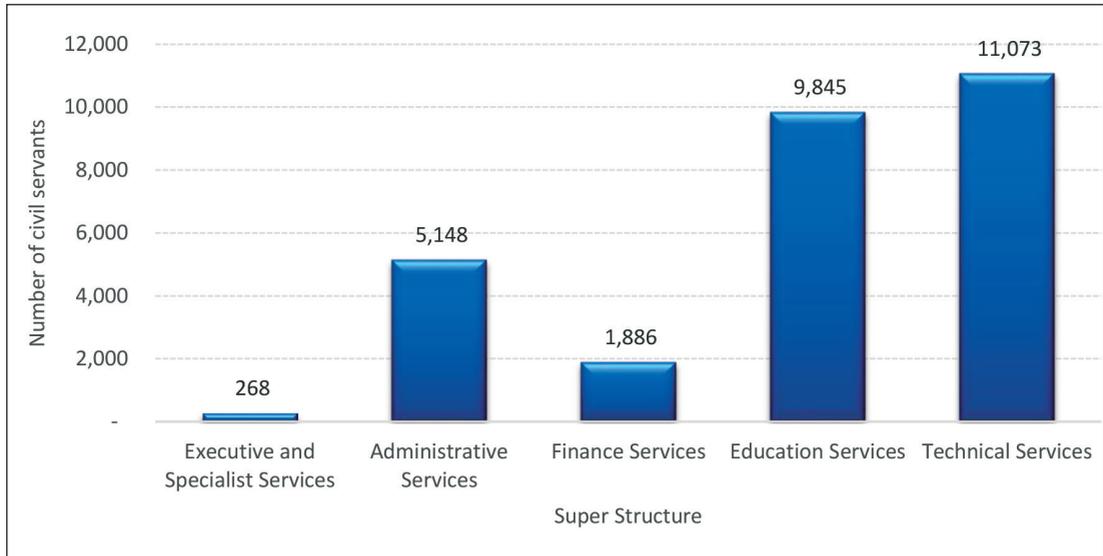
Table 10: Location Spread of Civil Servants

Location	2008	2016	2017				Total
			Executive and Specialists	Professional & Management	Supervisory & Support	Operational	
Bumthang	627	897	3	369	466	91	929
Chhukha	1,508	1,867	5	992	907	151	2,055
Dagana	335	719	1	435	346	55	837
Gasa	138	246	1	106	165	14	286
Haa	283	427	2	236	166	35	439
Lhuntse	330	497	1	301	183	21	506
Monggar	995	1,352	4	624	705	93	1,426
Paro	1,182	1,360	7	691	629	88	1,415
Pemagatshel	411	680	1	412	290	47	750
Punakha	526	768	2	458	307	60	827
Samdrupjongkhar	824	1,132	2	574	592	94	1,262
Samtse	845	1,316	1	864	543	78	1,486
Sarpang	1,008	1,641	4	770	907	110	1,791
Thimphu	6,627	8,701	217	4,106	3,573	910	8,806
Trashiyangtse	416	633	3	821	668	107	1,599
Trashigang	1,230	1,507	1	356	257	28	642
Trongsa	397	548	1	271	247	38	557
Tsirang	393	657	1	353	279	24	657
Wangdue Phodrang	844	1,101	1	526	512	50	1,089
Zhemgang	531	780	1	380	347	47	775
Outside Bhutan	66	99	9	48	27	2	86
<b>Total</b>	<b>19,516</b>	<b>26,928</b>	<b>268</b>	<b>13,693</b>	<b>12,116</b>	<b>2,143</b>	<b>28,220</b>

### 1.8 Civil Servants by Super Structure

Of the five Super Structure Groups, the Technical Services Group has the largest number of civil servants with 11,073 (39.24%), followed by Education Services Group with 9,847 (34.89%) and then Administration Services Group with 5,148 (18.24%). Finance Services Group has 1,886 (6.68%) and the Executive and Specialist Services Group has the least number with 268 (0.95%).

Chart 4: Civil Servants by Super Structure



### 1.9 Civil Servants by Major Occupational Group (MOG)

Of the 19 MOGs, the Education and Training Services Group has the largest number of civil servants with 9,536 (33.79%). It is followed by Administration and Support Services Group with 4,292 (15.21%) and then Medical and Health Services Group with 3,201 (11.34%). As can be seen from Chart 5, the Education & Training Services Group and Medical and Health Services Group together account for close to half of total strength in the Civil Service and have been the primary driver of Civil Service growth in the past decade. Foreign Services Group has the least number of civil servants.

Chart 5: Annual Education & Training Services and Medical & Health Services Group as a Proportion of Total Annual Recruitment

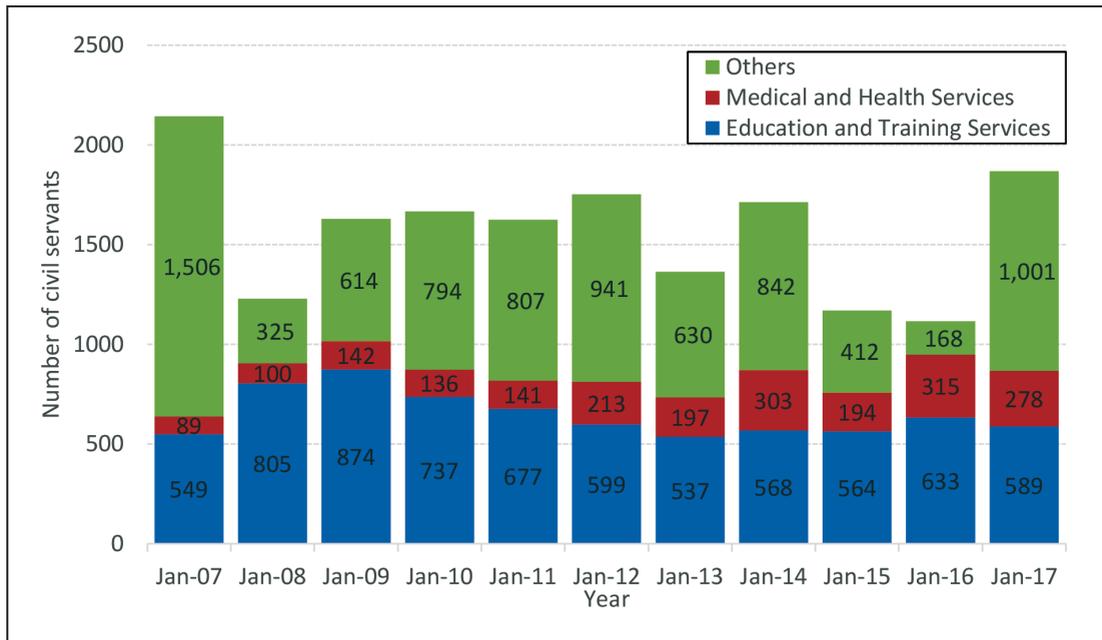
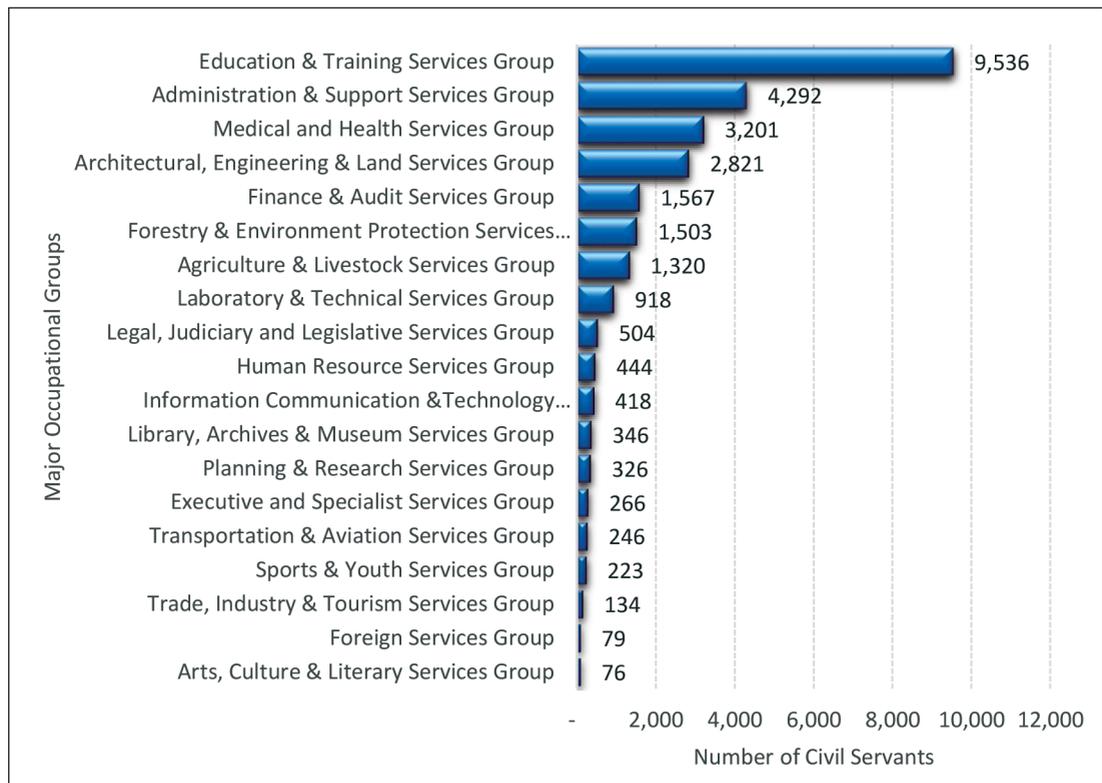


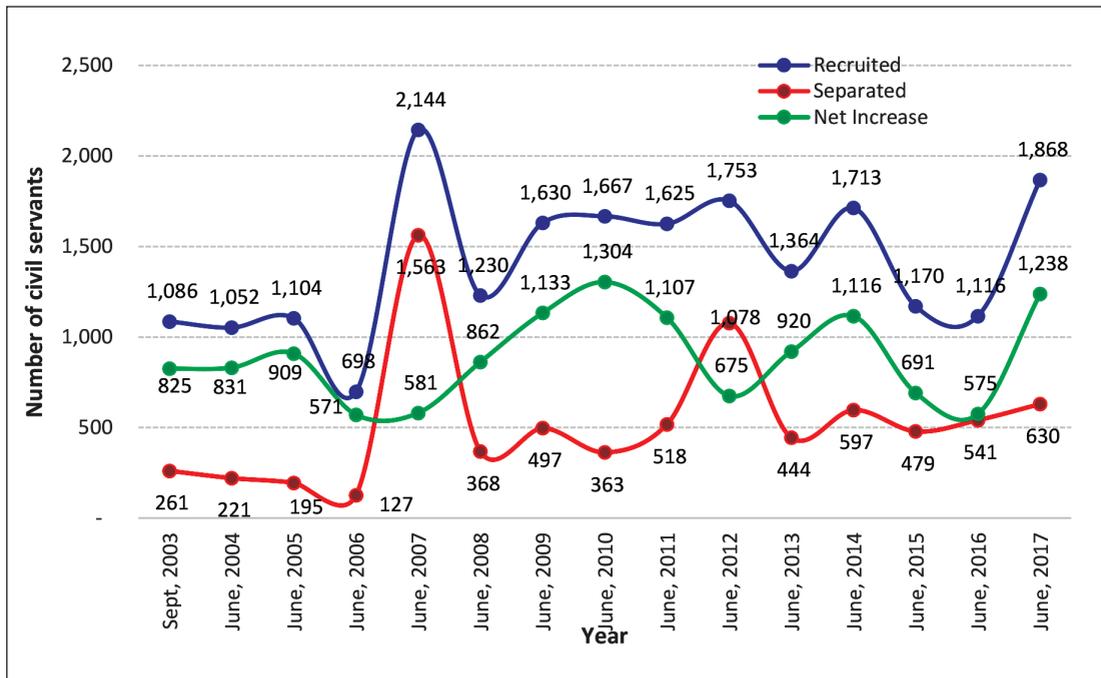
Chart 6: Civil Servants by MOG



### 1.10 Recruitment and Separation

During July 2016 to June 2017, a total of 1,868 civil servants were recruited while 630 were separated. There was a net increase of 1,238 civil servants.

Chart 7: Trends of Civil Servants Recruited, Separated and Net Increase



The annual growth rate in recruitment as on 30<sup>th</sup> June, 2017 is 67.38%. As is self-evident, the growth rate of recruitment increased significantly in June, 2017. The reason for the increase in growth rate can be attributed to the inclusion of all consolidated contract employees {such as teachers (non-select B.Ed. graduates), Assistant Research Officers for the National Assembly and National Council, wardens/matrons, sports coaches in schools, others} in the Civil Service strength and the introduction of the single window recruitment approach.

A total of 745 civil servants were recruited at P5 Position Level, 299 at S5 and 215 at P4. A significant difference in recruitment of P5 to other Position Levels is mainly due to recruitment of 172 non-select B.Ed. graduates and also 67 Assistant Research Officers for the National Assembly Secretariat and National Council on contract. Furthermore, the increase in recruitment of S5 Position Level is mainly attributed to recruitment of 68 wardens/matrons and 29 sports coaches in schools on contract.

Table 11: Civil Servants Recruited and Separated by Gender

Position Level	Recruitment			Separation		
	Female	Male	Total	Female	Male	Total
EX1				1	6	7
EX2					3	3
EX3		1	1		1	1
ES3					6	6
P1		4	4	10	40	50
P2	4	1	5	8	46	54
P3	1	3	4	22	34	56
P4	81	134	215	19	38	57
P5	343	402	745	42	54	96
SS2		1	1	1	9	10
SS3				4	18	22
SS4				13	20	33
S1	66	49	115	7	32	39
S2	82	105	187	10	25	35
S3	50	51	101	11	19	30
S4		1	1	7	13	20
S5	108	191	299	9	17	26
O1		1	1	3	37	40
O2	10	6	16	3	14	17
O3				1	10	11
O4	13	160	173	1	16	17
<b>Total</b>	<b>758</b>	<b>1,110</b>	<b>1,868</b>	<b>172</b>	<b>458</b>	<b>630</b>

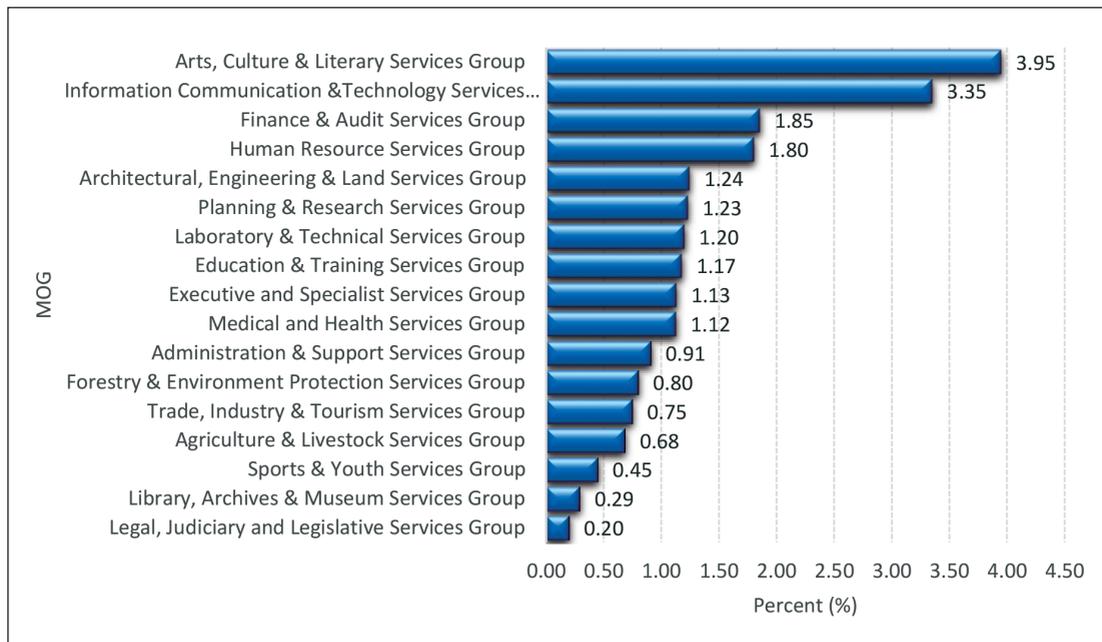
During the reporting period, females accounted for 40.57% of the total recruitment in the Civil Service. For every 10 females, 15 males were recruited in the Civil Service. While the Commission recognises the gender gap issue, the recruitment in the Civil Service is completely based on meritocracy. On the other side, for every 10 female civil servants, 27 male civil servants were separated.

### 1.11 Extra-Ordinary Leave (EOL)

A total of 319 civil servants availed EOL as on 30<sup>th</sup> June, 2017. Since this accounts for around one percent of the total, the popular perception that a large number of civil servants avail EOL appears to be unfounded. On the other hand, the RCSC accepts that civil servants will continue to avail EOL, which is a maximum of two years in a lifetime of service to the *Tsa-Wa-Sum*. Therefore, to address the disruption that accompanies it in sectors such as education, the RCSC has rationalised and made

simpler the recruitment of substitutes. Although 112 civil servants under Education and Training Services group are on EOL, it constituted only 1.17% of the total civil servants of this MOG. On the other hand, 76 civil servants of the Arts, Culture & Literacy Services Group availing EOL, constituted 3.95% of the total civil servants under this MOG. No civil servant has availed EOL under Foreign Services Group and Transport & Aviation Services Group.

Chart 8: Percentage of Civil Servants on EOL by MOG



## **PART 2 - CIVIL SERVICE REFORMS - 'GOOD TO GREAT'**

Based on consultations with civil servants around the country, the RCSC introduced reforms in five areas to take the Civil Service from one that is good, to one that is great. As with most reforms, it will take some time before the full benefits can be felt. The Commission's efforts focus on ensuring smooth implementation, especially of transition issues which if not handled properly, can derail the best of intentions. The following provide an update on the status of implementation of the five reforms. In the coming year, these reforms, implemented through various notifications, will be embedded in the revised BCSR 2017.

### **2.1 Organisational Development Exercise-Right Size**

The OD Exercise, a comprehensive exercise, was initiated to review the mandates of all the Agencies to ensure alignment to national and sectoral goals, improve public service delivery and rationalise HR utilisation. It is a continuous process of organisational re-engineering to keep organisations relevant to the changing environment and increasingly complex mandates. Since HR is the most important resource of an organisation, such exercises are critical for strategic HR planning, management and development.

#### **2.1.1 OD Exercise Coverage**

As on 30<sup>th</sup> June, 2017, the OD Exercise has been successfully completed in 47 Agencies: 10 Ministries; 13 Agencies; 20 *Dzongkhags*; and four *Thromdes*. The OD Exercise in Bhutan Agriculture and Food Regulatory Authority (BAFRA) and National Statistical Bureau (NSB) was completed recently. In consultation with the RCSC, the internal assessment and restructuring exercise (an abridged OD Exercises) was conducted for the following autonomous Agencies:

1. Anti-Corruption Commission (ACC);
2. Office of the Attorney General (OAG);
3. Cabinet Secretariat (CS);
4. Dratshang Lhentshog (DL);
5. Bhutan Narcotic Control Agency (BNCA);
6. Royal Institute of Management (RIM); and
7. Bhutan InfoCom and Media Authority (BICMA).

The OD Exercise in the remaining Agencies will be conducted based on the need of organisations. The following Table 12 shows the status of OD Exercise:

Table 12: Summary of OD Exercise Conducted

Sl. No.	Agency	OD is completed	OD is undergoing	Total
1	Ministry	10	0	10
2	<i>Dzongkhags</i>	20	0	20
3	<i>Thromdes</i>	4	0	4
4	Autonomous Agencies <sup>1</sup>	13	1	14
<b>Total</b>		<b>47</b>	<b>1</b>	<b>48</b>

<sup>1</sup>JDWNRH, NLCS, GNHC, TCB, NEC, BNCA, OAG, RIM, CS, BICMA, DL, ACC and BAFRA

### 2.1.2 Status of Implementation of OD Recommendations (C1, C2 & C3)

The implementation of OD recommendations is progressing well in all OD completed Agencies including recently completed *Dzongkhags*. All OD recommendations related to structures (C3) as approved by the Cabinet have been implemented except those which have been directed to be implemented in the 12<sup>th</sup> FYP or after putting in place the appropriate legislations and amendments of relevant Acts. The other non-structural OD recommendations (C1 & C2) which are within the purview of the RCSC/Agencies, are under implementation.

Table 13: Overall Summary of OD Recommendations

Sl. No.	Number/Percentage	Category of recommendations (%)			Total
		C1	C2	C3	
1	Number of recommendations	733	329	36	1,098
2	Percentage of recommendations	67%	30%	3%	100%

68% of the OD recommendations have been already implemented while 22% are in progress and on track. 10% of the recommendations are HR issues which are being addressed through strategic interventions such as Parent Agency Framework, Staffing Plan for 2020, HR Competency Framework and HR capacity development programmes. Thus, there has been significant progress in implementation of OD recommendations.

The OD recommendations for BAFRA, regarding its delinking from the MoAF and change in composition of Board Members, will be submitted by the Agency to the Cabinet for necessary approval.

Table 14 below provides a summary of the implementation of OD recommendations in 47 Agencies (10 Ministries, 13 Autonomous Agencies, 20 *Dzongkhags* and four *Thromdes*). Of the total of 1,098 OD recommendations, 733 (67%) were C1 recommendations while 329 (30%) and 36 (3%) were C2 and C3 recommendations respectively.

Table 14: Summary of OD Recommendations Implemented

Status of Implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
	No.	%	No.	%	No.	%	No.	%
Implemented	525	72%	181	55%	36	100%	742	68%
Progress	141	19%	110	33%	0	-	251	22%
Implemented indirectly*	67	9%	38	12%	0	-	105	10%
<b>Total</b>	<b>733</b>	<b>100%</b>	<b>329</b>	<b>100%</b>	<b>36</b>	<b>100%</b>	<b>1,098</b>	<b>100%</b>

\*Implemented through HR Intervention

An important outcome of the OD Exercise is determination of need-based staffing for the entire government. As on 30<sup>th</sup> June, 2017, the staffing exercise has been completed in almost all the Agencies. Staffing projections till 2025 has been finalised, and will serve as the basis for 12<sup>th</sup> FYP staffing. However, another round of consultation will be undertaken with all Agencies in the 12<sup>th</sup> FYP. More importantly, going forward, at any point of time, the RCSC will now have projection of HR requirements for the next five years. Such projections will be made public and used as a basis to determine pre-service HRD requirement, aid HR Planning as well as benefit future job seekers.

As per the Standard Operating Procedures (SOP) for implementation of OD recommendations, all C3 OD recommendations pertaining to creation, abolishment, up-gradation or alteration of organisational structures (departmental level and above) in Ministries and Autonomous Agencies as approved by the Cabinet have been implemented successfully. Detailed implementation status of the approved OD recommendations (C3) by Cabinet is presented in Annexure III.

### 2.1.3 OD Recommendations dependent on Amendment/Enactment of Acts

The following three major OD recommendations were approved but to be implemented only after revising the existing Acts or enactment of new ones:

1. Formation of Bhutan Qualifications Authority (BQA);
2. Renaming of Royal Safety and Transport Authority (RSTA) - Ministry of Information and Communication (MoIC) as Department of Surface Transport and placing it under Ministry of Works and Human Settlements (MoWHS); and
3. Delinking Mining Regulatory Function from the Ministry of Economic Affairs (MoEA).

The above recommendations were proposed in line with Agencification Framework to minimize conflict of interest by segregating policy making and regulatory functions. An Agency with regulatory mandates, when housed within a Ministry, leads to conflict of interest in regulating products and services (undermining regulatory functions) besides overburdening the Agencies.

The RCSC continues to closely monitor the Agencies responsible for implementation of the above OD recommendations. From the implementation progress report received, the Department of Adult and Higher Education (DAHE), Ministry of Education (MoE) together with the Department of Occupational Standard (DoS), Ministry of Labour and Human Resources (MoLHR) are taking a lead role in drafting Bhutan Qualifications Authority Bill. Further, RCSC also conveyed its directives to MoIC to take into account OD recommendations pertaining to renaming of the RSTA and placing it under MoWHS while working on amendment of the RSTA Act. The MoEA has also initiated the amendment of the Mines and Mineral Management Act 1995 for delinking the mining regulatory functions from MoEA.

#### **2.1.4 OD Recommendations Approved for 12<sup>th</sup> FYP**

The OD recommendations that were approved for implementation during 12<sup>th</sup> FYP include restructuring of MoLHR and MoEA to form Ministry of Trade, Industry & Employment (MoTIE) and Ministry of Energy and Minerals (MoEM), which include transfer of offices (DoT, DoI, DCSI, IP and OCP) from MoEA to MoLHR. Accordingly, a number of issues in the existing MoEA will be addressed only in the 12<sup>th</sup> FYP. These recommendations were made mainly to bring focus and tap synergy for e.g., diverse mandate of the MoEA leading to loss of focus on trade and industry sectors while on the other hand, such sectors forming part of the MoLHR should lead to better alignment of the country's economic prospects with creation of employment opportunities.

#### **2.1.5 Recommendations Awaiting Cabinet Approval**

The Cabinet directed RCSC to further review on the issues related to mandates of Local Government (LG) with respect to *coordination issue between Dzongkhag Administration and Royal Bhutan Police and Coordination between Dzongkhags, Central Agencies, Regional Offices, Dzongkhag Tshogdue, Gewog Tshogde, and Thromde Tshogde*. Following the directives, the RCSC in consultation with the Ministry of Home and Cultural Affairs (MoHCA) has submitted the recommendation to the Cabinet and is awaiting its approval.

Further, on endorsement of Common LG Framework by the Cabinet and as per its directives, the RCSC further reviewed and sought feedback from MoHCA and MoWHS. The recommendations have been resubmitted to the Cabinet for approval.

#### **2.1.6 Agencies Created/Delinked**

One of the important outcomes of the OD Exercise was rationalisation of the existence of Agencies. As a result, some government Agencies have been delinked from the Parent Ministries while few others are completely delinked from the Civil Service. Further, Agencification Framework has helped to clearly segregate the policy making, execution and regulatory functions of the government with creation/delinking of the Agencies. The following Agencies have been created/delinked:

1. Department of Macroeconomic Affairs (DMEA), Ministry of Finance (MoF) has been created with effect from 21<sup>st</sup> September, 2016;
2. Department of Technical Education(DTE), MoLHR has been created with effect from 15<sup>th</sup> March,2017;
3. Department of Hydromet has been delinked from the MoEA and created as National Center of Hydrology and Meteorology (NCHM) with effect from 1<sup>st</sup> February, 2017;
4. Construction Development Board (CDB) has been delinked from the MoWHS as a separate regulatory Agency with effect from 30<sup>th</sup> May, 2016;
5. Bhutan Health Trust Fund (BHTF) has been delinked from the Ministry of Health (MoH) as a separate Autonomous Agency with effect from 15<sup>th</sup> March, 2017;
6. Bhutan Medical Health Council (BMHC) has been delinked from the MoH as a separate Autonomous Agency;
7. Duty Free Shop (DFS) has been delinked from the MoF and created as State Owned Enterprise (SOE) outside of the Civil Service with effect from 14<sup>th</sup> September, 2015; and
8. Menjong Sorig Pharmaceuticals (MSP) has been delinked from the MoH and created as SOE outside of the Civil Service with effect from 5<sup>th</sup> January, 2017.

### **2.1.7 Directorate Services**

As a result of the OD Exercise, the Directorate of Services has been created in all the 10 Ministries. The Directorate will support the line departments in terms of human resources management (HRM), procurement and finance, ICT services and general administrative support. The Directorate Services will free up the Government Secretary's time from administrative responsibilities and enable them to focus on strategic functions. Terms of Reference (ToR) of the Directorate of Services have been issued by the RCSC for the clarity of roles. As on 30<sup>th</sup> June 2017, six Directors for the Directorate Services have been appointed. In total, seven positions have been filled and the three vacant positions in MoFA, MoE and MoIC will be filled in the next FY.

### **2.1.8 OD Recommendations being Piloted**

#### **2.1.8.1 Piloting of Regional Cluster for Dzongkhag Trade and Industry Offices**

One of the key findings and recommendation of the OD Exercise conducted in 2015 for MoEA was to decentralise the functions of Regional Trade and Industry Office (RTIO) under the MoEA to the *Dzongkhags*. Accordingly, with the objective of promoting the decentralisation policy of the government to take public services closer to the people and create greater synergy in the work of the *Dzongkhag* Administration, MoEA proposed to pilot decentralising the functions of the RTIOs in two *Dzongkhags*. In this way, without disrupting the existing RTIO services, RCSC and MoEA could determine cost effectiveness, efficiency, synergy and other practical aspects of this initiative. This is being piloted in two *Dzongkhags*, Trashiyangtse and Samtse, for a period of one year with effect from 1<sup>st</sup> March, 2017.

### **2.1.8.2 Piloting of ICT Cluster Implementation**

Another key finding of the OD Exercise of the *Dzongkhags* was the inefficient use of the ICT staff in *Dzongkhags* who work in *Dzongkhag* Administration, *Thromdes*, Hospitals and Regional Offices. Since these offices are located close to each other in all *Dzongkhags*, the DITT is piloting an ICT Cluster concept to enhance utilisation of ICT staff. Under this ICT cluster concept, all ICT staff currently working in different Agencies under the *Dzongkhag/Thromde* like Immigration, Regional Revenue and Custom Office (RRCO), RTIO, RSTA, hospitals, etc. will be brought under one Cluster/Division at the *Thromde/Dzongkhag* Administration so that a group of ICT professionals can provide ICT services across all Agencies located within the *Dzongkhag* and *Thromde* boundary. This is expected to lead better utilisation of ICT professionals, improve service delivery and reduce the requirement of ICT professionals.

Therefore, in order to assess the effectiveness of the ICT cluster concept, the RCSC in consultation with DITT, MoIC decided to undertake a pilot exercise in *Gelephu Thromde* and *Monggar Dzongkhag* for a period of one year with effect from 1<sup>st</sup> October, 2016.

#### **2.1.8.3 Revenue Intelligence Unit at Department of Revenue and Customs**

Given the problem of high revenue leakages, the OD Exercise in MoF recommended to establish Revenue Intelligence Division (RIU) under the Department of Revenue and Customs (DRC). Having reviewed the OD recommendation, the DRC, MoF and RCSC decided to pilot a RIU for a year, with effect from 27<sup>th</sup> of December 2016. It will provide necessary guidance and information to prevent any forms of revenue leakages, and liaise with other government Agencies in preventing the leakages of taxes and duties through exchange of information and intelligence. The experience from this pilot will be used to determine the shape and form of RIU and its mandates.

## **2.2 Bhutan Civil Service System**

### **1.2.1 BCSR 2012 Updation**

As provided in Chapter 11, Section 87 of the CSAB 2010, the RCSC shall make rules and regulations, called the Bhutan Civil Service Rules and Regulations, for effective administration of the Civil Service in consultation with Agencies.

The BCSR 2012 is being reviewed through various consultation processes to update it based on the principles of transparency, accountability, efficiency and effectiveness. Given the importance of stakeholders' feedback, beginning from June 2015 until June 2017, the RCSC conducted a series of consultations observing all due process required in terms of its consultation obligations with civil servants in various Agencies at all levels and met with more than 2,000 civil servants. Further, suggestions are also received through online feedback system made available especially for civil servants who are not able to attend consultation meetings. The RCSC received around 407 online comments and suggestions from the civil servants. In Thimphu, despite the invitation sent to all Agencies, very few civil servants turned up for the consultation.

The Commission believes strongly that Civil Service rules and regulations are basically the means to create a transparent and meritocratic Civil Service that can attract, retain and motivate civil servants to protect and promote national interest and therefore has to be rationalised on a periodic basis to make them purposeful. In doing so, the Commission believes that the best way to achieve this is not by tightening rules and regulations further but rather by expanding opportunities for civil servants to flourish in the service of the *Tsa-Wa-Sum*. In the past, many civil servants viewed BCSR as a document mainly used for punishing civil servants. The Commission hopes that the new BCSR will be viewed differently, as a document that protects and promotes Civil Service values and the interest of civil servants so that they can unleash their full potential in the service of King, Country and People.

The updated BCSR 2017 will have two additional chapters: one for Executives & Specialists and the other for CSW. Emphasis has also been laid on the apolitical values and behaviours under the Civil Service Code of Conduct and Ethics. A number of notifications that have already been issued by the Commission as part of the reforms will be incorporated in the updated BCSR (Annexure IV). Separate Manuals to guide the implementation of key reforms shall also be issued while BCSR will broadly outline the rationales and purpose of each reform/chapter.

### **2.2.2 Parent Agency Framework for HR Functions**

The rationale behind developing the parent Agency framework is to strengthen and professionalise respective occupational groups.

With the framework, the parent Agency shall play the strategic role of succession planning and identify required competencies, develop HR plans, draw clear career path, set standards for service delivery & staffing and incorporate the concept of “expert pool”. The framework allows for decentralisation of more HR functions to the working Agencies including the LGs, such as regular recruitment upto S1, contract recruitment upto P2, Open Competition up to P2, etc. In addition, the process for meritorious promotion and Long-Term Training (LTT) has been redesigned. The framework shall form part of the updated BCSR.

### **2.2.3 Career Progression**

The reforms to the SSC was undertaken with a view to address the major issue of stagnation faced by majority of the civil servants working in this group. Depending on the entry and qualification, civil servants could move up to certain positions levels only. In fact, pre-reform, 7,429 civil servants could go up to S1/P5 only. This was the main grievance faced by a majority of the civil servants in this positions category. 6,267 civil servants who enter in S5 & S4 Position Level, could only go up to S1; 1,162 civil servants who enter in S3 Position Level, could go up to P5; and the rest, 3,819 could go up to P3.

With the reform, the new concept of Senior Supervisor (SS2 to SS4) replaces the overlapping Position Level of P3, P4 & P5. However, the remuneration and benefits of civil servant in the SS is the same as the equivalent PMC position, such as retirement age, pay and other allowances. An additional career advancement up to SS1 equivalent to P2 is provided for every civil servant in SSC and smooth career movement up to SS1 irrespective of the entry and qualification but with increase in promotion duration to five years for promotion from S1 to SS4 and above. The reform, which now brings uniformity to all the civil servants in this Position Category, irrespective of entry Position Level, was implemented as of July 2016 and addresses a major weakness in the BCSS and will benefit more than 11,000 civil servants in the SSC.

#### **2.2.4 Restoration of Position Category Integrity**

Pre-reform, there were 2,103 SSC people in P5/P4 and P3 as of June 2016 in addition to S1-S5. While their Position Level was under the PMC, their designations, roles and responsibilities and career and reporting track was always SSC. This mixing up of two different Position Categories was creating unnecessary confusion in HR planning and management as well as problems on the ground as senior SSC civil servants in overlapping PMC Position Level expected PMC officers in lower Position Levels to report to them, in spite of the fact that their designation and ToR required them to report to the PMC officers. This flaw in the implementation undermined the integrity of the four Position Categories that make up the BCSS.

Accordingly, these 2,103 civil servants in P3, P4 & P5 were remapped into SS2, SS3 & SS4 respectively. With this, the integrity of the four Position Categories with clear career path and reporting hierarchy has been restored. OC can go upto O1; SSC, with entries at various levels, can now all go upto SS1; PMC upto P1 and for those selected through Open Competition, or on the Specialist Track, into the ESC. This clarity in the system will greatly facilitate and aid HR planning, management and development.

#### **2.2.5 Super Structure**

As part of BCSS reform, Super Structure was initiated with the objective to uphold the principle of placing the Right Person to the Right Job and to retain professionals by allowing movement of civil servants to the relevant positions only. Super Structure is made up of five overarching groups: 1) Executive & Specialist Services; 2) Administration Services; 3) Finance Services; 4) Education Services; and 5) Technical Services. The main benefit of this change is to uphold the integrity of the various entry systems into the five groups that make up the Super Structure. This will address a major weakness of the past approach that allowed people to change MOG, irrespective of their original entry, after the completion of 10 years of service. Therefore, Super Structure was approved by the 72<sup>nd</sup> Commission Meeting with effect from 2<sup>nd</sup> August, 2016 to uphold the above rationale.

Accordingly, all civil servants are assigned to one of the five Super Structure groups which are reflected in individual curriculum vitae (CV) in Civil Service Information System (CSIS). The MOG, Sub groups (SG) and positions for the five Super Structure groups are identified in *Schedule II* as well as in the system generated Position Directory.

The Super Structure now serves as a guide for HR Officers while making decisions related to movement of civil servants within their professional areas besides ensuring specialisation in their professions. This framework is used during Open Competition for the purpose of short listing & selection, change in Position Title and transfer of civil servants. A Super Structure manual providing a step by step process has been developed to facilitate easy implementation. Further, statistics by Super Structure group brings more clarity in terms of the number of eligible civil servants for the announced position since movement is allowed only within the individual Super Structure group. It has facilitated decision making for RCSC as data is reliable after the categorisation.

A special feature of Super Structure is the position of “Officer on Special Assignment” (OSA). This is a time bound assignment within the Civil Service which allows individual civil servants to move within the Super Structure groups while maintaining their original profession. This is the flexibility rendered for all civil servants to experience diversity in their long Civil Service career while remaining in individual Super Structure group. It also supports the needs of some Agencies for requirement of other professional expertise.

### **2.3 Succession Planning and Leadership Development**

In order to ensure smooth and seamless continuity in the event of leadership transition and to prepare civil servants with high potential for key positions in the Civil Service, succession planning is important. For those civil servants who are already in leadership positions, the leadership development programme has been initiated to develop desired capabilities and behaviours in leaders and to enhance domain expertise required to successfully execute their responsibilities.

Under the reform to enhance Leadership, the following three initiatives are institutionalised:

1. Succession Planning System;
2. Leadership Development Programme; and
3. Executive Performance Management System.

One of the key highlights of this reporting period is the launching of Online LFS on 26<sup>th</sup> August, 2016. The prototype was developed for online LFS based on the following five leadership capabilities as per the Leadership Capability Framework (LCF):

1. Shape strategic view;
2. Achieve results;
3. Cultivate productive working relationship;
4. Exemplify personal drive and integrity; and
5. Communicate effectively.

Each capability is further divided into behaviour indicators. Civil servants are required to provide feedback based on the behaviours portrayed by the Executives or Managers. There are a total of 82 behaviour indicators for PMC and only 53 indicators for SSC, to provide feedback on the Managers. Currently, a 270° feedback system is being used to receive feedback, which are from supervisor(s), subordinate(s) and peer(s). Civil servants who are officiating Chiefs of Divisions, full-fledged Chiefs of Divisions, Specialists heading centers/programmes/institutes and all Executives will receive online feedback.

For the FY 2015-16, the average feedback across all aforementioned positions is 2.85, on a scale of 1 to 4, which correspond to “Very Good”.

The results of LFS is used for all three initiatives. Based on the LFS scores, Executives are identified for critical positions, transfers or appointments to higher positions. Further, the LFS scores will also be used by the Commission to identify areas of training required for Executives and accordingly Executives will be given HRD interventions based on their scores on the five areas of capabilities. The LFS score also has equal weightage as the qualitative aspect of performance assessment in addition to quantitative aspect of performance taken from GPMS score for promotion.

As part of the OD recommendation, the positions of Director for Directorate Services in the Ministries were approved. Directors for six Directorates have been filled through Open Competition and the remaining three for MoE, MoFA and MoIC will be filled in the coming year. This is to ensure that the pool for Executives is refreshed as more P1 civil servants become eligible for Open Competition then.

### **2.3.1 Institutionalisation of Succession Planning**

As per the succession-planning framework, Executives are transferred/appointed and recruited from P1 pool. The updates include segregated information as provided under: 1) Appointment as Government Secretaries; 2) Selected through Open Competition; and 3) Transferred/Appointed from existing Executives. The selection committee for Open Competition for Executives comprises of four Commissioners and an Agency representative, usually the Government Secretary concerned. The Chairperson, RCSC meets the selected candidate during the appointment ceremony wherein the candidates are briefed on the importance of their roles, the leadership expected of them and the areas they need to focus on.

### 2.3.1.1 Appointment of Government Secretaries

In line with the Constitution and CSAB 2010, the following seven Government Secretaries were appointed in July 2016 following the completion of the tenure of the earlier Secretaries:

Table 15: Government Secretaries Appointed

Sl. No	Name	Position Title	Position Level	Agency	Date of Appointment to Current Place of Posting
1	Rinzin Dorji	Secretary	EX1 A	Ministry of Agriculture and Forests	13 July, 2016
2	Karma Yeshey	Secretary	EX1 A	Ministry of Education	13 July, 2016
3	Nim Dorji	Secretary	EX1 A	Ministry of Finance	13 July, 2016
4	Dr.Ugen Dophu	Secretary	EX1 A	Ministry of Health	13 July, 2016
5	Sonam Tobgay	Secretary	EX1 A	Ministry of Home and Cultural Affairs	13 July, 2016
6	Dasho Karma Wangchuk Penjor	Secretary	EX1 A	Ministry of Information and Communications	13 July, 2016
7	Sonam Wangchuk	Secretary	EX1 A	Ministry of Labour and Human Resources	13 July, 2016

Since the Government Secretaries are the top civil servants in respective Ministries, it is important that they submit achievements, issues and challenges of Ministries to the Head of the State on a regular basis. Therefore, the RCSC has asked Secretaries to establish a Civil Service tradition whereby they seek Royal Audience to submit periodic reports, especially on critical issues in their Ministries or any matter related to national security & sovereignty.

### 2.3.1.2 Appointment of Executives through Open Competition

With a view to make Open Competition fairer and more purposeful to selecting the right person for the right job, a number of improvements were made to the system. Eligible civil servants are encouraged to apply for suitable positions. To ensure quality of the pool of applicants, a minimum threshold has also been set. Applicants who do not meet this threshold cannot apply for Open Competition for a year. The Commission seeks feedback from civil servants who have worked with the candidate including the supervisors and subordinates. Given the disproportionate impact of

people in Executive positions to the performance of the Civil Service, the Commission will continue to find ways and means to improve the Open Competition system.

The following Directors were appointed through Open Competition:

*Table 16: Appointment of Executives through Open Competition*

Sl. No	Name	Position Title	Position Level	Agency	Date of Appointment to current place of posting
1	A Karma Rinzin	Director	EX3 A	Department of Professional Support, Anti-Corruption Commission	1 July, 2016
2	Dr. Karma Lhazeen	Director	EX3 A	Department of Public Health, Ministry of Health	1 October, 2016
3	Karma Sonam	Director	EX3 A	Department of Human Settlement, Ministry of Works & Human Settlement	1 October, 2016
4	Kinlay Tshering	Director	EX3 A	Department of Agriculture, Ministry of Agriculture & Forests	1 November, 2016
5	Duba	Director	EX3 A	National Assembly Secretariat	1 November, 2016
6	Yeshey Rangrik Dorjee	Director	EX3 A	Directorate, Ministry of Economic Affairs	1 January, 2017
7	Tenzin Chopel	Director	EX3 A	Directorate, Ministry of Health	1 January, 2017
8	Tshering Dorji	Director	EX3 A	Department of Public Accounts, Ministry of Finance	1 January, 2017
9	Gyeltshen	Director	EX3 A	Department of Investigation, Anti-Corruption Commission	1 March, 2017.
10	Kinga Jamphel	Director	EX3 A	Drug Regulatory Authority	1 March, 2017

Sl. No	Name	Position Title	Position Level	Agency	Date of Appointment to current place of posting
11	Chhime Tshering	Director	EX3 A	National Statistical Bureau	1 March, 2017
12	Dhak Tshering	Director	EX3 A	Directorate, Ministry of Works & Human Settlement	1 March, 2017
13	Loday Tsheten	Director	EX3 A	Department of National Budget, Ministry of Finance	15 April, 2017
14	Rinchen Wangdi	Director	EX3 A	Directorate, Gross National Happiness Commission	15 April, 2017
15	Tshering Yangden	Director	EX3 A	Jigme Dorji Wangchuck National Referral Hospital	15 April, 2017
16	Rabgye Tobden	Director	EX3 A	Directorate, Ministry of Agriculture & Forests	15 April, 2017
17	Sonam Pelden Thaye	Director	EX3 A	Directorate, Ministry of Labour & Human Resources	1 June, 2017
18	Jigme Namgyel	Director	EX3 A	Directorate, Ministry of Finance	1 June, 2017
19	Phub Rinzin	Director	EX3 A	Construction Development Board	1 June, 2017

### 2.3.1.3 Transfer/Appointment of Executives Based on Fulfilling Minimum Criteria for Transfer and/or Based on Strategic Movement

Table 17: Transfer/Appointment of Executives

Sl. No.	Name	Position Title	Position Level	Agency	Date of Appointment to current place of posting
1	Tashi Penjore	Director	EX3 A	Department of Law and Order, Ministry of Home & Cultural Affairs	1 September, 2016

Sl. No.	Name	Position Title	Position Level	Agency	Date of Appointment to current place of posting
2	Karma Tsering Namgyel	Secretary	EX1 B	Dratshang Lhentshog	15 August, 2016
3	Thinley Namgyel	Secretary	EX1 C	Gross National Happiness Commission	15 August, 2016
4	Ugyen Penjore	Director General	EX2 A	Department of Agriculture Marketing and Cooperatives, Ministry of Agriculture & Forests	15 August, 2016
5	Dr. Pandup Tshering	Director General	EX2 A	Department of Medical Services, Ministry of Health	15 August, 2016
6	Karma Tshering	Director General	EX2 A	Department of School Education, Ministry of Education	1 September, 2016
7	Tandin Tshering	Director General	EX2 A	Department of Cottage & Small Industries, Ministry of Economic Affairs	1 September, 2016
8	Tshewang Tandin	Director General	EX2 A	Royal Institute of Management	1 September, 2016
9	Kesang Choden Dorji	Director	EX3 A	Department of Adult & Higher Education, Ministry of Education	1 September, 2016
10	Kinley Tenzin Wangchuk	Director General	EX2 A	Department of Intellectual Properties, Ministry of Economic Affairs	1 October, 2016
11	Rinchen Dorji	Director	EX3 A	Department of Information & Media, Ministry of information & Communications	1 October, 2016
12	Kuenga Tshering	Director General	EX2 A	Department of Traditional Medicines, Ministry of Health	1 October, 2016

Sl. No.	Name	Position Title	Position Level	Agency	Date of Appointment to current place of posting
13	Thinlay Wangchuk	Consul General	EX1 B	RBE, Kolkota	15 April, 2017
14	Dawala	Director General	EX2 A	Department of National Properties, Ministry of Finance	1 June, 2017
15	Pemba Wangchuk	Director General	EX2 A	Road Safety & Transport Authority, Ministry of Information & Communications	1 June, 2017

### 2.3.2 Initiatives to Enhance the Pool for Executives

The entry to P1 level determines the pool for Leadership Positions in the Civil Service and thus careful selection to this pool will be critical. Consequently, the selection framework for P1 pool was aligned to the selection framework for Executives, which include 40% domain expertise, 40% leadership capabilities based on the LCF, 5% on rural posting, 5% seniority and 10% performance evaluation rating. For the final selection, the highest and lowest marks are excluded to minimise biases during the selection. The selection panellist comprises of Executives only with one representative from RCSC (Director or Focal Commissioner). Further, the scores of the online LFS is used as the reference for shortlisting as well during the interview.

For this reporting period, 27 civil servants were recruited at P1 level through Open Competition.

Following the completion of the staffing for 11<sup>th</sup> FYP for most Agencies, the recruitment to P1 Position through Open Competition by the Agencies were opened. The approved post of P1 management as per staffing is 494 Positions in the Civil Service. There is a gap of 209 P1 positions, or 42%. Many positions could not be filled through Open Competition because of the gap in eligible candidates in P2 pool. To close this gap, the Commission approved opening of P2 level Positions to candidates who have completed two years and more in P3 A.

Further, to determine quality of P1 pool, in addition to streamlining of Open Competition framework with the Executive selection framework, promotions to P1 positions were carefully monitored. For instance, an important framework that was amended was promotion of *Dzongrab* and *Drungpa* to Sr. *Dzongrab* and Sr. *Drungpa* at P1 through RCSC level promotion and not automatically like other promotions within broad banded position. The areas of assessment are performance evaluation rating and the score of leadership feedback system, with both having equal weightages for promotion. The minimum threshold for both is *very good* and above.

Table 18: Dzongrab/Drungpa Promoted to P1 A

Sl. No	Name	Positin Title	Positon Level	Agency	Date of Appointment
1	Sonam Dorji	Sr. <i>Drungpa</i>	P1 A	Thrimshing <i>Dungkhag</i> Adminis- traion, Trashigang	1 July, 2016
2	Tshewang Namgyal	Sr. <i>Drungpa</i>	P1 A	Sombaykha <i>Dungkhag</i> ,Haa	1 January, 2017
3	Karma Wangdi	Sr. <i>Dzongr- ab</i>	P1 A	Administration & Finance Section,Pe- magatsel	1 January, 2017

### 2.3.2.1 Institutionalisation of Leadership Development Programme

#### 2.3.2.1.1 In-country Leadership Programme

##### a) Executive Forum (ExFo)

The ExFo, held annually, is a two-day programme organised specifically for the Heads of Ministries, Agencies, and *Dzongkhags*. This forum provides a platform for top leadership to meet & network on a regular basis and discuss important issues relating to the Civil Service. RCSC sees networking as a key strategy to enhance coordination, create a whole-of-government mindset, resolve conflicts, negotiate effectively and manage change. A session is devoted to developing skills.

The primary objective of the forum is to foster unity of purpose. Issues of national importance such as the Civil Service reforms, the impact of social media on governance, coordination issues, issues and challenges in good governance, and any other topics found relevant, can also be discussed in the ExFo.

The 2<sup>nd</sup> round of Executive Forum was conducted from 26 -27 and 29-30 December, 2016 at the Royal Institute of Governance and Strategic Studies (RIGSS), on the theme "Service from the Heart". In total, 39 Heads of Agencies attended the forum.

The following agenda were discussed during the forum:

1. Apolitical Civil Service – talk by the Chairperson, RCSC;
2. Whole-of-government Approach: Planning, Budgeting and HR Management- presentation by the MoF, GPMD, Cabinet Secretariat, GNHC and RCSC;
3. Improving Public Service Delivery: Introduction to the concept of DT- presentation by DT Team;
4. Role of HR Officer, HR Committee and HR Projection for next five years- presentation by RCSC; and

5. Open session on challenges faced by Top Executives in leading and managing their organisations.

The following is the summary of critical issues raised during the ExFo in addition to general HR issues on transfers, retention, and delegation of authority on recruitment:

1. The need to remain apolitical and the protection of civil servants should be emphasized in CSAB 2010 and BCSR;
2. There is need for a clear set of guidelines on the dos and don'ts, especially during the times of election when Executives/civil servants are on election duty, during visits of the politicians in the *Dzongkhags*, and during the Interim Government period; and
3. Executives recommended for an advocacy session(s) between the civil servants and the elected leaders with regard to the apolitical Civil Service.

As can be seen from this report, the RCSC has been working on the issues and closer to election, the Commission will issue a notification that should address the above concerns.

#### **b) Bhutan Executive Services Training (BEST)**

BEST is a 14-day programme held at the nation's premier leadership institute, the RIGSS. BEST focuses on developing desired leadership trait, which is based on LCF. This programme is to be attended by all civil servants who enter leadership position including Specialists. Every Executive will have to undergo this training once in 3-4 years.

The fifth BEST conducted from 8 – 21<sup>st</sup> January, 2017 was attended by 17 Executives and three Specialists.

*Table 19: List of BEST Participants*

Sl. No	Name	Position Title	Agency
1	A Karma Rinzin	Director	Anti-Corruption Commission
2	Dorji Norbu	Director General	Department of Culture, Ministry of Home and Cultural Affairs
3	Dr. Karma Lhazeen	Director	Department of Public Health, Ministry of Health
4	Duba	Director	National Assembly Secretariat
5	Gholing Tshering	Director General	Department of Youth and Sports, Ministry of Education
6	Jambay Wangchuk	<i>Dzongdag</i>	Lhuentse

Sl. No	Name	Position Title	Agency
7	Karma Sonam	Director	Department of Human Settlement
8	Kuenga Tshering	Director General	Department of Traditional Medicine Services, Ministry of Health
9	Lekzang Dorji	Director	Department of Macro Economics, Ministry of Finance
10	Ngawang Pem	<i>Dzongdag</i>	Tsirang
11	Pema	Executive Secretary	Gelephu <i>Thromde</i>
12	Pemba Wangchuk	<i>Dzongdag</i>	Chhukha
13	Phento Tshering	Director	Department of Forests and Parks Services
14	Phintsho Choeden	<i>Dzongdag</i>	Dagana
15	Rinzin Penjore	Director	National Council
16	Sonam Jigme	<i>Dzongdag</i>	Wangduephodrang
17	Tharchin Lhendup	<i>Dzongdag</i>	Samdrupjongkhar
18	Thuji D Nadik	Specialist II	Tourism Council of Bhutan
19	Sangay Tenzin	Specialist III	Ministry of Works and Human Settlement
20	Tandin Pemo	Specialist III	Jigme Dorji Wangchuck National Referral Hospital

### c) Executive Roundtable Meeting

The Executive Roundtable is a one-day workshop organised for the Directors/Director Generals of the Ministries. The purpose of the Executive Roundtable is to discuss issues pertaining to the Civil Service. It is conducted to serve as an avenue to address vertical and horizontal fragmentation which leads to lack of focus, duplication of resources and 'siloed organisational behaviour'. The Executive Roundtable Meeting was introduced based on the recommendation from the ExFo to conduct similar forum with relevant agenda for other Executives. A total of 55 Executives attended the first Executive Roundtable Meeting held on 15<sup>th</sup> February 2017.

#### 2.3.2.1.2 Ex-country Leadership Programmes

With the assistance from the Austrian Development Cooperation (ADC), a total of seven Executives were sent to top notch universities for various targeted leadership training as part of Leadership Development Programme.

Newly appointed Government Secretaries availed the course on *Making Your*

*Organisation Innovative* conducted at the Cambridge University, UK from 4-9<sup>th</sup> December, 2016. Rinzin Dorji, Secretary for Ministry of Agriculture & Forests, Sonam Tobgay, Secretary for Ministry of Home & Cultural Affairs, and Nim Dorji, Secretary for Ministry of Finance attended this course.

Kinzang Wangdi, Cabinet Secretary, Dasho Karma Wangchuk Penjor, Secretary for Ministry of Information & Communications, and Kinzang Dorji, *Dzongdag*, Haa *Dzongkhag* Administration attended the course on *High Impact Leadership* at the Columbia University, US from 4-9<sup>th</sup> December, 2016. Further, recognising the importance of training in one's domain area, Karma Yeshey, Secretary for Ministry of Education attended training on *Diploma in Education*, Finland from 21-26<sup>th</sup> November, 2016.

Tashi Penjore, Director for the Department of Law & Order, Ministry of Home & Cultural Affairs attended the training on *Strategic Leadership and Foresight* conducted by Civil Service College Singapore from 28<sup>th</sup> November to 2<sup>nd</sup> December, 2016.

### 2.3.3 Institutionalisation of MaX for Executives

Using Executive promotion assessment framework, the following seven Executives were promoted with effect from 1<sup>st</sup> January, 2017:

Table 20: List of Executives Promoted

Sl. No.	Name	Position Title	Position Level	Agency	Remark
1	Thinley Namgyel	Secretary	EX1 B	Gross National Happiness Commission	Promotion
2	Dr. Pandup Tshering	Director General	EX2 A	Department of Medical Services, Ministry of Health	Promotion
3	Sonam Dorji	Registrar	EX2 A	Bhutan Medical Health Council	Promotion
4	Wangdi Gyaltshen	Director General	EX2 A	Bhutan Civil Aviation Authority, Ministry of Information & Communications	Promotion
5	Sangay Dorjee	Director General	EX2 A	Jigme Singye Wangchuck School of Law	Promotion
6	Ngawang Pem	<i>Dzongdag</i> I	EX2 A	<i>Dzongkhag</i> Administration, Tsirang	Promotion
7	Ugyen Penjore	Director General	EX2 A	Department of Agricultural Marketing and Cooperatives, Ministry of Agriculture & Forests	Promotion

### 2.3.3.1 Executive on Secondment

In keeping with the Commission's philosophy that the best way to attract, retain and motivate civil servants is to enhance opportunities, secondment of civil servants to top position in DHI companies and SOEs will be supported. Accordingly, Sonam Jigme, former *Dzongdag*, *Dzongkhag* Administration, Wangduephodrang was seconded to Dungsam Cement Corporation Limited with effect from 1<sup>st</sup> June, 2017.

### 2.3.3.2 Executives & Specialists Separated

The following Executives and Specialists were separated during the reporting period:

Table 21: Executives and Specialists Separated

Sl. No.	Name	Position Title	Position Level	Agency	Separation Effective Date
<b>Executives separated</b>					
1	Tenzin Dhendup	Secretary	EX1 A	Ministry of Agriculture & Forests	7 July, 2016
2	Dorjee Tshering	Director General	EX2 A	Department of Traditional Medicine Services, Ministry of Health	16 September, 2016
3	Lham Dorji	Director General	EX2 A	Road Safety & Transport Authority, Ministry of Information & Communications	15 November, 2016
4	Nima Wangdi	Dy. Chief of Mission (Former)	EX1 B	Royal Civil Service Commission	19 November, 2016
5	Dorji Thinlay	Director	EX3	Department of Investigation, Anti-Corruption Commission	1 November, 2016
<b>Specialists separated</b>					
1	Jigme Wangdi	Specialist III	ES3	RNR Research & Development Center, Department of Forests & Park Services, Ministry of Agriculture & Forests	1 January, 2017
2	Drungtsho Tshering Tashi	Specialist III	ES3	Institute of Traditional Medicines, Department of Traditional Medicine, Ministry of Health	1 January, 2017

### 2.3.3.3 Specialists Utilisation

The specialist utilisation study was undertaken to address the issue of sub-optimal use of specialists in certain sectors that came about due to lack of support from the management, absence of clear job description, placement of majority of the specialists at the Departments while demand for their expertise was in the field, and lack of proper mechanism in place for promotion of specialists. Accordingly, the following measures were put in place:

1. Management to take greater accountability for utilisation of specialists;
2. Criteria for promotion of specialists put in place in order to test their level of competencies. Specialists now have to fulfill 10 criteria to move into ES3 and above;
3. Encourage posting of specialists at regional level where implementation of plans actually take place and need of expertise is high;
4. Specialists to take on the additional role of advisors (but limited, based on need, to one per Department) and where suitable, as heads of the Centers/ Programmes/Projects in Agencies but based on a transparent and term-based (three years) selection system;
5. Specific job descriptions to be drawn for individual specialists based on generic RCSC job description prior to appointment to confirm need and ensure proper utilisation;
6. Secondment of specialists to institutions within the country where their field of expertise can be shared; and
7. Specialists to be included as members of HR Committee and relevant panellist/committees (GNH Committees, etc.) to draw upon their expertise.

The new framework was approved by 69<sup>th</sup> Commission meeting and implemented as on 5<sup>th</sup> July 2016. The above measures are not applicable for specialists in teaching and medical professionals and P1 level specialists. Besides the teaching and medical professionals, the largest number of specialists (31) are in MoAF. Accordingly, in line with the notification, specialists under MoAF were deployed as follows:

1. Four specialists were deployed as advisors for the four Departments under MoAF;
2. 25 specialists were either deployed or retained in the regional offices and centers based on their area of specialisation; and
3. Two specialists are on secondment currently.

The Executive Management Division (EMD) is working on developing prototype for Online Succession Planning System. This system will use data base from the CSIS, online LFS and MaX system which will help in identifying vacant positions and map relevant Executives based on experience checklist tool, qualification and entry Position Category.

## 2.4 Performance Management System - MaX

The RCSC has identified PMS, renamed as “Managing for Excellence”, as one of the areas of reform for the Bhutanese Civil Service to enhance service delivery. The objectives of MaX are:

1. Alignment: To align individual performance/work plan with the organisation’s strategic goals/visions;
2. Accountability: To ensure organisational effectiveness by cascading institutional accountabilities to the various levels of the organisation’s hierarchy;
3. Differentiation: To enhance agency’s overall performance by differentiating performers from non-performers; and
4. Strengthening linkage between performance and rewards/punishment.

The key features of the MaX system are:

1. Agency Categorisation Framework (ACF) which assigns Agencies into different performance categories based on the GPMS score (see box below). This is then translated into commensurate bell/distribution curve for every Agency, based upon which the Agencies have to distribute their staff;
2. The ModeX is the process by which the Moderation Committees in each agency distribute their staff amongst the four categories of performance. Based on this distribution, HR actions like promotions, trainings, etc. are implemented;
3. The Performance Appraisal Forms or IWP which each civil servant has to fill out at the beginning of every FY. This must be reviewed by respective supervisors once during the mid-year and another at the year end. The IWP provides the basis for the assessment of staff during the ModeX. Unlike the past system of Performance Management, the supervisor’s assessment is not final. To overcome the culture of extremely generous rating, the ModeX through the process of forced distribution ensures adherence to assigned bell curve derived from ACF; and
4. Following ModeX, the civil servants (excluding Executives) who meet the meritorious and promotion criteria are automatically rewarded (as opposed to the present system where all meritorious promotions are the discretion of the RCSC). Similarly, civil servants who fall into the Need Improvement category automatically lose a year from the date of their normal promotion period.

### Agency Categorisation Framework

Agency Category	Agency's Score (GPMS score)	Outstanding (%)	Very Good (%)	Good (%)	Need Improvement (%)
Category 1	95.00-100	3	17	80	0
Category 2	85.00-94.99	2	16	81	1
Category 3	70.00-84.99	1	15	82	2
Category 4	<=69.99.	0	14	83	3

For the last two years, groundwork for MaX's rollout such as the pilot, then upscaling to all Agencies, familiarising and training all the civil servants on the system has been carried out. Civil servants have generally responded positively on the MaX system. RCSC has also received requests from few Corporations and Private Sector to share the system with them.

As a strategy to ensure smooth transition to the new PMS, the RCSC has been implementing the activities in a phased manner so that all the key issues pertaining to implementation of MaX are resolved before it is rolled out fully.

The activities carried out under this reform in the year 2016 - 17 are summarised as follows:

1. Replacement of old Performance Evaluation form;
2. Finalisation of mechanics for moderation for schools;
3. MaX Online System rolled out;
4. Training for supervisors on IWP evaluation and effective feedback system;
5. Training of Trainers (ToT) for MaX online system;
6. Conduct of the final mock ModeX in all 10 Ministries, 20 *Dzongkhags*, four *Thromdes* and 22 Autonomous Agencies; and
7. Finalisation of MaX Manual.

The introduction of the new performance management system (MaX) is expected to bring significant desirable behavioural changes in the Civil Service. However, changing the mindsets and behaviour of individual civil servants and organisational culture to a system that will demand high accountability and discriminate performers from non-performers will not be easy. Therefore, the RCSC will continue to conduct trainings in the new system for at least two more cycles (years).

### **2.4.1 Replacement of Old Performance Evaluation Form**

To facilitate implementation of the PMS reforms, the Commission issued a notification to all civil servants, informing on the change of the Work Planning and Review Form (Annexure 13/2) of the BCSR 2012 to the new Performance Appraisal Form.

Subsequently, on 7<sup>th</sup> July, 2016, the Commission notified the civil servants that the new Performance Appraisal Form shall hereafter be used to develop their IWP. Civil servants in OC, General Service Personnel (GSP) and Elementary Service Personnel (ESP) categories are excluded because the duties in these categories are routine and repetitive. However, they shall be evaluated through a set of Competency Behaviours based on the standard Performance Appraisal Form.

Further, the Commission approved the amendment of BCSR 2012 Clause 13.3.8.1 on the minimum requirement of the performance rating to be eligible for promotion on broad band positions and issued a notification on 20<sup>th</sup> September, 2016 to that effect. The changes were initiated by the Commission to align the ratings received by the employees in the new performance appraisal form with the objectives of MaX.

### **2.4.2 Finalisation of ModeX Mechanics for Schools**

About 400 out of 584 schools have very small number of civil servants and furthermore, the organisational structures also differ from school to school, thus posing a huge challenge to the conduct of the ModeX in the respective schools. Therefore, a series of consultative meetings with the school Principals, *Dzongkhag* Education Officers, and MoE were held to find alternatives to the conduct of ModeX in schools. The RCSC presented the outcomes of the various consultative meetings in the 19<sup>th</sup> National Education Conference. The MoE agreed to group the schools based on Teaching Resource Center (TRC) and conduct the ModeX based on this clustering.

The RCSC also provided support to teachers in schools in terms of how to interpret and fill up the IWP. A total of 2,500 civil servants working in schools were trained on the development of the IWP. This will continue in the coming FY. Employees in ESP, GSP and OC in the Education sector are excluded from the ModeX.

### **2.4.3. Development and Introduction of the MaX Online System**

An important activity under the reform is to institutionalise and implant a strong IT system to enable civil servants to submit their performance appraisal through an online system. This system will facilitate monitoring of the IWPs by supervisors, generate data for decision making and ensure discipline and adherence to timelines in planning and evaluation of performance, which is necessary for the system to work effectively.

With financial assistance from the ADC under the RCSC project titled “Institutionalism of Performance Management System and Leadership Development Programme”,

the development of the online system was outsourced to a private consultant for a duration of nine months. The system was launched as a side event during the 1<sup>st</sup> Executive Round Meeting held on 15<sup>th</sup> February, 2017 in Thimphu.

Subsequently, a notification was issued on 6<sup>th</sup> March, 2017 informing the civil servants that the Agencies will have the option to make online submission of Performance Appraisal for the FY 2016-17 or submit offline to their respective Agencies. However, from the next FY 2017-18, it will be made mandatory for all the civil servants to submit their performance appraisal through the online system. For those civil servants in schools, whose performance cycle is as per calendar year, online/offline option will be provided for 2017. However, it will be mandatory to submit online from January 2018 onwards.

The RCSC has trained 62 HR Officers from the Ministries, Autonomous Agencies, *Thromdes*, and *Dzongkhags* as resource persons to further train the civil servants in their respective organisations on MaX online system.

#### **2.4.4. Training on IWP Evaluation and Effective Feedback System**

The RCSC looked at changing the behaviours of the supervisors while evaluating the performance of the employees. This was necessary since PE rating was done very leniently in the past as a consequence of which even mediocre and non-performers actually received “very good” and “outstanding” ratings during their performance evaluation. Therefore, with the help of an HR expert, RCSC conducted the ToT with participants from Civil Service and the private sector. 60 trainers were trained in the two-day ToT of which 12 trainers were selected by RCSC to conduct training on objective IWP evaluation and effective feedback system. The training was conducted from 16<sup>th</sup> January, 2017- 24<sup>th</sup> March, 2017 and a total of 925 supervisors received the training.

#### **2.4.5. Conduct of the Final Mock ModeX**

The ModeX will be rolled out from the FY 2016-17 and the respective Agencies must conduct the ModeX once the scores of the APA/APT is released. Therefore, the RCSC conducted the final mock ModeX in all the Agencies with effect from April 12, 2017 to familiarise all the civil servants and Moderation Committee members on the ModeX. Mock moderation sessions were also initiated to provide hands on training to all the Moderation Committee members and prepare them for the live Moderation which will be held in the month of September during FY 2016-17. A total of 1,123 Moderation Committee members attended the mock ModeX.

#### **2.4.6. Finalisation of MaX Manual**

The task of drafting the MaX Manual was initiated in 2015. Over the course of the last two years, RCSC has been able to iron out kinks in the system through numerous rounds of mock ModeX in varied settings/Agencies across the country. The MaX Manual will be published in August, 2017.

### 2.4.7. Agencies Exempted from ModeX

The nature of work, composition of employees, and size of the staff are unique and different in some Agencies. Therefore, about 10% of the Government Agencies, mostly Constitutional Bodies like ACC, RAA and civil servants in Judiciary have been exempted from ModeX. These Agencies will adopt the IWP and the new Performance Appraisal Forms but will not use the moderation feature of the MaX.

## 2.5 Civil Service Well-being

The RCSC has institutionalised three areas for CSW interventions, covering civil servants in two distinct phases of their life. The first phase is their active duty tenure (from entry till exit) and the other phase is after retirement (from superannuation till death). The three areas are: i) Civil Servants' Welfare Scheme (CSWS), ii) Civil Service Support Desk (CSSD), and iii) Civil Service Retirement Services (CSRS).

### 2.5.1 Civil Servants' Welfare Scheme

CSWS has been implemented with the objective of 'helping the civil servants help themselves'. It is a programme 'of, by and for' the civil servants whereby a corpus fund has been created through a monthly contribution from which an admissible semso grant would be paid in the instance of death of a member and his/her dependents. In its design, it is like an insurance scheme and thus carries no liability beyond the coverage entitlements when it is in effect.

Table 22 shows the details of membership of CSWS as on 30<sup>th</sup> June, 2017.

*Table 22: Details of Membership of Civil Servant's Welfare Scheme*

Sl. No	Membership Type	Total
1	Active Members	24,192
2	Opt out from the scheme	553

The CSWS membership as on 30<sup>th</sup> June, 2017 is 93.11% of the total regular civil servants. This will increase as most of the regular civil servants who return from LTT, EOL and other forms of long-term absence usually prefer to join the scheme. Currently, there are around 300 (1.15%) civil servants who are on long-term absence and they will be given one month time to register upon joining office. Only 2.13% of the total regular civil servants chose to opt out from the scheme. The remaining 3.60% have neither registered as CSWS member nor have they opted out of the scheme.

In addition, free lifetime membership has been extended to 99 superannuated civil servants.

### 2.5.1.1 CSWS Fund Status

The following Table 23 shows CSWS fund status as on 30<sup>th</sup> June, 2017.

Table 23: CSWS Fund Status

Sl. No	Particulars	Amount (Nu.)
1	Fund contribution	69,743,325.00*
2	Payout	27,680,000.00
3	Refund**	163,625.10

\*Fund contribution as on 30<sup>th</sup> June, 2017 received from RICBL on 4<sup>th</sup> August, 2017

\*\*75% refund for those who leave the Civil Service under ERS, Voluntary Resignation and De-linking of agency from the Civil Service and have not made any claim.

The monthly contribution amount offsets the monthly payout amount by 2.5:1. In addition to the contribution received from CSWS members, interest of Nu. 2,259,528.25 was also generated on the contribution received till 30<sup>th</sup> June, 2017.

Table 24 below shows the claims made for CSWS members and dependents of CSWS members.

Table 24: Claims Made for CSWS Members and Dependents of CSWS Members

Sl. No	Claimed for	Number
1	CSWS members	73
2	Superannuated CSWS members	1
3	Dependents	633

Although an initial survey projected that there would be one member and 30 dependents passing away in a month, the actual deaths per month averaged 3-4 members and 32 dependents since the start of the programme. Nevertheless, the scheme will be able to sustain its activities as long as current arrangements hold.

Going forward, the Commission hopes that the CSWS can evolve into a Civil/Public Service Credit Union and therefore, continues to pursue the matter both through the National Pension and Provident Fund but also with the Royal Monetary Authority. There is real potential for the more than 45,000 public servants in Bhutan to create their own financial institution to avail loans at lower interest rates and save at higher rates. This could help to address other unmet needs such as home ownership.

## **2.5.2 Civil Service Support Desk**

### **2.5.2.1 Future Leaders Mentoring Programme (FLMP)**

The Commission initiated the FLMP in the Civil Service as one of the flagship programmes under CSSD. The main purpose of the FLMP is to guide the development of young civil servants early in their career – the first one to two years – so that they receive necessary guidance to help develop their full potential. Furthermore, it enhances their knowledge and creates a clear understanding of their career path with constant coaching and guidance. The FLMP was launched in March 2017 with four mentors and 32 mentees. The mentors for 2017 are retired Government Secretaries. The 32 mentees are recruits of 2016 and 2017 from Administrative, Finance and Technical Services categories. Based on evaluation of this effort, the programme will be upscaled.

### **2.5.2.2 Counseling Services**

The CSWS received a total of eight cases. Five were cases related to alcoholism and one was due to depression. Two cases due to lack of supporting documents were not resolved within the reporting period.

Out of the five alcoholism cases, four were sent for rehabilitation either through the CSWS or directly by the Agency concerned after discussion with the CSWS. The fifth case was not entertained as the person had already undergone rehabilitation and had relapsed. Three of them have been rehabilitated and have readjusted back in their workplace, one was compulsorily retired and one passed away.

## **2.5.3 Civil Service Retirement Services**

### **2.5.3.1 Retirement Planning**

It has been observed that civil servants are often caught unaware and unprepared for life after retirement. Many are ill prepared to deal with financial, psychological and emotional challenges that accompany separation from the Civil Service. Unfortunately, it is also too late for remedial actions especially in case of financial challenges. Therefore, the retirement planning initiative is to help civil servants plan ahead for a better future. It is aimed at preparing civil servants – mentally and financially – for a better life after superannuation.

The target groups are civil servants who have 10 and 5 years to superannuate. The first workshop for civil servants with 10 years left to retirement was conducted in June 2017. The workshop was attended by 46 civil servants from different Position Levels and covered topics on the following:

1. Emotional and psychological impact of superannuation;
2. Common ailments during old age;

3. Experience sharing by retired civil servants;
4. Mindful thinking;
5. Calculation of pension and other retirement benefits;
6. Tax policies; and
7. Financial planning.

Based on the feedback from the first workshop, where participants found retirement planning to be a critical knowledge, the RCSC will upscale its efforts so that civil servants can focus on their present work knowing that their future is less uncertain. The RCSC would like to acknowledge the support provided to this effort by relevant Agencies in the RGoB as well as NPPF, RICB, and retired Executives.

### **2.5.3.2 Engaging Retired Civil Servants**

In discussions with civil servants, those about to retire and those in retirement, the RCSC has found great willingness to continue to contribute, pro-bono, to the *Tsa-Wa-Sum* as many retired civil servants still want to take active part in nation building. Given the superannuation age of 60 years and less, this is a valuable resource that needs to be tapped. As a start, the RCSC has used the voluntary services of retired Government Secretaries to participate as resource persons in the recently launched Retirement Planning Services, as mentors in the FLMP and BCSE interview panel lists. RCSC also advocates to the Government and DHI to use retired civil servants who are suitable, as board directors. The RCSC will continue to find ways and means to tap this reservoir of resources.

### **2.5.4 Annual Health Checkup**

The RCSC and the MoH are working together to conduct annual health check-up for all the civil servants. The operational plan is being developed by MoH and the annual health checkup is expected to start from January 2018. This should help to improve the health of civil servants who can be alerted to possible health issues (especially NCDs) for corrective actions. This initiative should also support the MoH's effort to bolster the preventive side of the health services and thereby reduce the cost of curative services.

## PART 3 - HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

### 3.1 Update on Human Resource Development

#### 3.1.1 Annual LTT Implementation Status

The development of HR skills and competency is critical for the delivery of quality and professional services in order to achieve the organisational goals. Towards building HR capital in the Civil Service, the RCSC focuses in specialising the civil servants through implementation of LTTs.

The RCSC has processed 482 new LTT proposals during the last 12 months (i.e. course commencement date from 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017) as detailed in table 25.

Table 25: LTT Implementation Status by Qualification and Mode of Study

Sl. No	Level/Mode	New LTT proposals processed during the last 12 months				Total
		Ex-country Full time	In-country		In-country Total	
			Full time	Mixed Mode		
1	Ph.D	3	0	0	0	3
2	Masters	173	30	68	98	271
3	P.G Diploma	3	0	45	45	48
4	Bachelors	10	17	76	93	103
5	Diploma	3	0	0	0	3
6	Certificate	47	0	0	0	47
7	Specialisation	7	0	0	0	7
<b>Total</b>		<b>246</b>	<b>47</b>	<b>189</b>	<b>236</b>	<b>482</b>

Table 26: LTT Implementation Status by Qualification and Country

Sl. No	Level/ Country	New LTT proposals processed during the last 12 months					Others <sup>1</sup>	Total
		Bhutan	Thailand	India	Australia	Japan		
1	Ph.D	0	1	0	2	0	0	3
2	Masters	98	56	43	38	6	30	271
3	P.G Diploma	45	0	2	0	0	1	48
4	Bachelors	93	0	9	1	0	0	103
5	Diploma	0	0	2	1	0	0	3
6	Certificate	0	36	5	1	5	0	47
7	Specialisation	0	4	0	0	0	3	7
<b>Total</b>		<b>236</b>	<b>97</b>	<b>61</b>	<b>43</b>	<b>11</b>	<b>34</b>	<b>482</b>

<sup>1</sup>Austria, Bangladesh, Canada, France, Hungary, Germany, Indonesia, Italy, Malaysia, Mongolia,

Netherlands, New Zealand, Philippines, Singapore, South Korea, Sweden, Switzerland, United Kingdom, and United States of America.

Table 27: LTT Implementation Status by Funding

Sl. No	Level/ Funding	New LTT proposals processed during the last 12 months				Grand Total
		RGoB Funding <sup>1</sup>	Other Funding			
			Private Funding	Open Scholarship <sup>2</sup>	Total	
1	Ph.D	1	0	2	2	3
2	Masters	189	33	49	82	271
3	P.G Diploma	47	0	1	1	48
4	Bachelors	78	22	3	25	103
5	Diploma	3	0	0	0	3
6	Certificate	46	1	0	1	47
7	Specialisation	5	1	1	2	7
<b>Total</b>		<b>369</b>	<b>57</b>	<b>56</b>	<b>113</b>	<b>482</b>

<sup>1</sup>RGoB Funding: RCSC Administered Programmes and scholarships administered by Agencies

<sup>2</sup>Open Scholarship: Open international scholarships and university scholarships

There are 482 LTT programmes being implemented in 25 different countries out of which 236 LTTs are in-country programmes with 189 mixed mode programmes for teacher qualification upgradation and 47 regular programmes. 246 ex-country LTTs programmes are all regular programmes and are spread out in 24 different countries with most of the civil servants going to Thailand (97 LTTs), followed by India (61 LTTs), Australia (43 LTTs), Japan (11 LTTs), and remaining 34 LTTs are spread out in 19 other countries.

The RGoB is the main source of funding with 369 LTTs out of 482 LTTs being funded under various programmes administered by RCSC and respective Agencies (RGoB internal financing and donor projects).

### 3.1.2 Six Major HR Development Programmes/Scholarships Implementation Status

Out of several scholarships for HR development administered by RCSC, the following six are the major programmes implemented based on various Memorandum of Understandings (MoU), Record of Discussions (RoD) and Agreements:

#### 3.1.2.1 Government of India

Gol is the largest donor with Nu. 600 M allocated for 11<sup>th</sup> FYP HRD under the Gol PTA. For the last three FY i.e., FY 2014-17, RCSC has received Nu. 439.45 M from the

Gol for professionalising the Civil Service. Most of these resources are being used for implementation of short term trainings (STT) to professionalise the Civil Service based on OD Exercise findings and the critical need assessments of the Agencies. Focus areas for Gol-PTA implementation are:

1. Rolling out the SoPs and TATs;
2. Training aligned with the competency framework;
3. Training required due to the upgradation of the system;
4. Training which is critical and relevant to the position; and
5. Training for supporting the five reforms of the RCSC.

Nu. 240.825 M was approved for the last FY of which Nu.100 M was allocated to all the *Dzongkhags* to support the policy of decentralisation and ensure that the LGs drive the training needs. The *Dzongkhags* were able to utilise Nu. 62.559 M with the implementation of 2,607 STT slots. The fund balance of Nu. 17.163 M for the RCSC coordinated training and Nu.37.441 M for the *Dzongkhags* are planned to be utilised during 2017-18. In total, the LGs received four LTT slots and 4,619 STT slots in one year as indicated in table 27.

Eight civil servants are currently on Gol PTA scholarships in India pursuing Master of Arts in Mahayana Buddhist Studies in Acharya Nagarjuna University and 144 have availed the LTT scholarships till date.

Table 28: Gol PTA Fund Utilisation and Slot Implementation Status

Sl. No	Agency	Fund received	Fund Utilised	Fund Balance	LTT slots	STT slots	Remarks
1	RCSC	140.825 M	123.662 M	17.163 M	4	4,015	LG: 4 LTT Slots (Teachers) & 2012 STT Slots. Regional Offices and Courts: 0 LTT Slot & 277 STT Slots. Central: 0 LTT Slot & 1726 STT Slots.
3	<i>Dz-ongkhags</i>	100.00 M	62.559 M	37.441 M	NA	2,607	Fund utilisation decentralised to <i>Dzongkhags</i>
<b>Total</b>		<b>240.825 M</b>	<b>186.221 M</b>	<b>54.604 M</b>	<b>4</b>	<b>6,622</b>	

### **3.1.2.2 Nehru-Wangchuck Scholarship**

The Nehru-Wangchuck Scholarship was instituted with the signing of MoU on 19<sup>th</sup> June 2009 for an initial duration of five years. The MoU was renewed for another five years in June 2014. Every year, the GoI allocates Nu. 10 M to implement this prestigious scholarship. It is open to all eligible nationals of Bhutan for undertaking various courses leading to graduate and postgraduate degrees/diplomas, with priorities accorded to postgraduate professional courses.

With the visit of Indian Prime Minister, Shri Narendra Modi to Bhutan from 15-16<sup>th</sup> June 2014, the annual budget outlay was revised from Nu. 10 M to Nu.20 M from the FY 2015-16 onwards. Accordingly, the scholarship has been made more attractive in order to attract the best and the brightest candidates for pursuing studies in areas where technical expertise is critical. Every year, eight candidates are awarded this scholarship in six strategic areas i.e. Leadership/Management & Business Management Courses; Medical Courses; Economics/Statistics; Engineering and IT Courses; Law; and Formal and Natural Sciences.

The Award Committee (*comprising of members from Indian Embassy, RCSC, MoLHR, MoE and MoFA*) meets to finalise priority areas and give policy direction. The eight 2016-17 scholarship awardees have secured admission and are pursuing Master courses in areas such as Economics, Management & Business Management Courses, Engineering and Formal and Natural Sciences.

During 2017-18 FY, eight candidates will be leaving to pursue Master courses (four Engineering, one Statistics, one HRM, one MBA and one Biology). 11 civil servants (including two candidates from the first phase) are currently on scholarship in India pursuing Master's Degree in various institutions and 73 (41 civil servants and 32 non-civil servants) have availed the scholarship till date excluding the eight 2017-18 scholarship awardees.

### **3.1.2.3 Australia Awards Scholarships (AAS)**

Bhutan has been receiving about 30 to 45 scholarship slots for post graduate degrees since 2007 based on the critical needs identified by the RCSC, as support for HRD from the Department of Foreign Affairs and Trade, Government of Australia. 33 slots were allotted to Bhutan during 2016-17 of which 20 slots were provided to civil servants and 13 slots to candidates from outside Civil Service (through MoLHR).

Twenty civil servants are currently on AAS pursuing Master's Degree in various institutions and 233 have availed the scholarship till date.

### **3.1.2.4 Thailand International Cooperation Scholarship (TICA)**

The assistance for HRD from Thailand began in 1980s under the TICA. The main areas of HRD cooperation included rural development, agricultural extension, health, education and private sector development.

Based on the RoD signed with TICA, HRD support/assistance is provided in terms of scholarship slots (about 285 slots in three years) for both post graduate degree and STT programmes as follows:

Full support: 60 LTT (20 LTT slots each year)  
 Cost Sharing: 90 LTT (30 LTT slots each year)  
 Full support: 60 STT (20 STT slots each year)  
 Cost sharing: 75 STT (25 STT slots each year)

A joint review meeting is held every year alternatively in Thailand and Bhutan to review implementation status and explore new areas for collaboration.

The final programme under the third Technical Cooperation Programme (2014 to 2016) has been implemented as follows:

1. 21 civil servants who secured admission are undergoing their studies, it includes 16 Masters under full TICA support and 5 Masters under cost sharing between TICA and RGoB;
2. Admission for two Pilot/Aviation training (CPL-Helicopter and CPL-Aeroplane) is confirmed at the Civil Aviation Training Centre, Thailand which is scheduled in September and October, 2017 respectively under full TICA support as approved during the Joint Review Meeting held in Thailand on 25<sup>th</sup> of September, 2016 (six regular LTT slots were adjusted for two Pilot/Aviation training). Upon completion of the training, these two candidates will be placed as Flight Safety Officers in the Bhutan Civil Aviation Authority, MoC; and
3. RCSC provided 25 cost sharing slots to the MoLHR for non-civil servants but only 17 slots could be implemented due to constraint of co-funding by the private sectors. Applications for 17 candidates were sent to TICA and the admission for the same is yet to be confirmed by TICA for 2017 academic intake.

For the fourth Technical Cooperation Programme (2017-2019), implementation year 1 (2017), RCSC has sent 35 applications to TICA for admission as follows:

1. 20 applications under full support; and
2. 15 applications under cost sharing support.

41 civil servants are currently on TICA scholarship in Thailand pursuing Master's Degree in various institutions and 141 have availed the scholarship till date.

### **3.1.2.5 Trongsa Penlop Scholarship (TPS)**

The Trongsa Penlop Scholarship was started with the signing of MoU on 23<sup>rd</sup> August, 2007 for tenure of 10 years. The MoU was signed between the RCSC, and the Rangsit University, Thailand to annually implement five slots towards pursuing Master of Education in Curriculum and Teaching for Teachers through the RCSC and 10

Undergraduate/Postgraduate Programmes through HM's Secretariat. The admission procedure for the 2017 intake targeted for six primary teachers is underway and the course will commence from August 2017. This will be the last batch under the existing MoU.

Four teachers are currently pursuing Master's Degree and with this the total recipient of Trongsa Penlop Scholarship will be 54.

#### **3.1.2.6 RGoB-RIM Scholarship**

The RGoB-RIM Scholarship was started in 2012 with funding support from the Government of Australia and RGoB. The course is conducted by the RIM in collaboration with University of Canberra. A total of 51 civil servants have completed Masters in Public Administration, 18 civil servants have completed Masters in Management, five have completed Masters in Business Administration and 12 have completed Masters in Management (Executive Leadership). Currently, 10 candidates are undergoing MBA course at RIM and 85 have availed the scholarship till date.

### **3.1.3 Update on Human Resource Development Initiatives**

#### **3.1.3.1 Competency Framework**

The CSAB 2010 mandates the RCSC to build and maintain capacity and competency in the Civil Service. However, currently, in terms of career progression, succession planning and competency development, there are no specific frameworks in place and hence, HR investments are generally made in a rather ad-hoc manner. While implementing the capacity development programme, especially for STTs, there is limited clarity on the kind of specific knowledge and skill that is required for an individual staff or occupational group. Therefore, training proposals are usually approved based on the justifications submitted by an individual/agency and at times, the training proposals are not directly aligned to the job description of the employees and to the mandate of the Agency.

In view of the above shortcomings, the RCSC has recognised the need to develop Civil Service Competency Framework (CSCF). Such a framework could guide government Agencies, especially the parent Agencies, to identify the competency needs of the employees and meet organisational/national goals. The groundwork for developing Competency Framework for critical occupational groups has begun. This initiative will also help in continuous development and professionalisation of civil servants.

#### **3.1.3.2 Study Leave for First Degree (Bachelor)**

Granting of study leave to pursue first degree (Bachelor) for a civil servant was revised in September 2014 through a notification so that those wishing to upgrade and pursue a first degree will have to do so at their own cost, but with the benefit of their service being protected and without having to take EOL.

The need for this change arose from the fact that majority of the in-service civil servants completing the degree were not able to make it through the BCSE, which is a requirement as per the CSAB 2010 to enter into PMC. Therefore, this was a source of frustration for the candidates while creating a huge financial burden on the national exchequer. In addition, their extended absence from duty hampered the delivery of services and also put pressure for more recruitment. On the other hand, there is now a surplus of graduates looking for jobs in every field that the RGoB requires.

Post notification, a total of 27 civil servants were approved study leave to pursue Bachelor courses during 2016-17 as compared to 40 civil servants in 2015-16.

### **3.1.3.3 Leadership Trainings for PMC at RIGSS**

Investments to build leadership capability cannot be a one off event. It must be done systematically and at every level. With this in mind, RCSC in collaboration with RIGSS has invested in the Young Professionals Leadership Programme (YPLP) and Foundational Leadership Programme (FLP). Annually, two batches comprising of 18 civil servants each undergo YPLP at RIGSS. From May 2017, a new programme called FLP was introduced at RIGSS targeted towards entry-level professionals (P5). The course will focus on the fundamental aspects of leadership and will aim to impart basic competencies and insight to enable them to display leadership qualities at their level. It will also enhance the capabilities of our future leaders with regard to collaboration, teamwork and feedback. During the first FLP, 18 civil servants have been trained. FLP will also be an annual programme comprising of two batches of 18 civil servants each.

### **3.1.3.4 Leadership Training for *Dzongkhag* Sector Heads coordinated by RCSC**

The RCSC in collaboration with the RIM conducted five-day Leadership training for the sector heads of the *Dzongkhags*/Agencies from 12 -16 June through the GoI- PTA fund for *Professionalising the Civil Service*.

The primary objective of this training is to ensure that the sector heads who hold key positions in the LGs/Agencies are equipped with the right competencies to lead and manage their staff efficiently and also to develop the basic competencies to become effective leaders.

The training was attended by 39 participants with majority of them from the five western *Dzongkhags*, namely: Paro, Chhukha, Wangduephodrang, Gasa and Punakha. Similar leadership training was conducted for the sector heads of Eastern and Central *Dzongkhags* at Monggar and Samdrupjongkhar respectively with 80 participants.

### **3.1.3.5 Design Thinking Programme**

The RCSC in collaboration with Singapore Polytechnic (SP) and Temasek Foundation (TF), Singapore initiated capability development programme for Civil Service leaders and officers called Design Thinking. The objective of the programme is to inspire and

promote innovation among the civil servants by fostering citizen-centric mindset and attitude. The Commission hopes that the DT competencies will enhance service delivery by engaging citizens in the service delivery journey and in cocreating the service experiences, a new approach to deliver improved government services. It is based on the conviction that civil servants as service providers should find value in making a difference in the lives of service users. The key idea is also to realise that if things have to improve, a mindset of continuous improvement must be the default - especially with a view to make services better, faster, and cheaper. The DT training programme was launched on 20<sup>th</sup> July 2016 followed by a series of workshops with the following outputs:

1. 120 civil servants trained on DT with atleast two design challenge projects implemented;
2. 20 Master trainers trained who will train at least 100 more civil servants; and
3. DT Guidebook for Bhutan developed.

In addition to achieving the above outputs, 50 participants underwent intensive DT Workshops and also worked on the following five design challenge projects which were presented to the respective Agencies and are currently being implemented:

1. “My Water” by MoWHS /Thimphu *Thromde* is an initiative to create a fair, safe and reliable water consumption experience that leads to a healthy, comfortable lifestyle for a growing number of Thimphu residents. It provides a convenient alternative water supply that is customised to meet all the water needs of Thimphu residents supported by an integrated online service system and specially fitted water-supply delivery vehicles (Water on Wheels);
2. “Happy Empowered Youth (HEY) 2030!” by the MoEA and MoLHR: How Might We Empower Youth to take career ownership to be meaningfully employed? HEY 2030 strategic map provides a framework encompassing five key thrusts that includes key initiatives and programmes for the next 14 years. This could be used to channel resources and build capabilities across Agencies to achieve the desired outcome of raising a generation of creative and enterprising youths who will take career ownership;
3. Autonomy, purpose, engagement, and excellence (APEX) -Connect 360 by RIM Team: How might we ensure our students have an engaging learning experience and sense of belonging to RCSC while at RIM?APEX – Connect 360 is an integrated development programme that aims at inculcating APEX in RIM students who feel connected with RCSC so that they graduate as confident, innovative and inspired civil servants ready to serve with empathy and integrity;
4. HoPE Scheme by Tourism Council of Bhutan (TCB) Team: How Might We Engage Hoteliers to Enhance Professionalism in the Hotel Sector? Hotel Professional Excellence Scheme (HoPE Scheme) is a financial support scheme that TCB could provide to encourage hotels to proactively develop

- staff professional capabilities and build quality culture in hotel sector; and
5. Nurture and Lift by Gross National Happiness Commission Team: How Might We Ensure a Fair and Transparent Deployment and Capacity Building System for Planning Officers? “Nurture & Lift” is a comprehensive approach to instituting a fairer deployment and capacity building system that will “Nurture & Lift” the morale of the Planning Officers of the GNHC.

Of the 50 participants, 23 PMC civil servants that were trained as Master Trainers have conducted two four-day cascading workshops (trained 114 participants) and published a DT Guidebook for Bhutan. Further, in collaboration with Government to Citizen (G2C) office, the Master Trainers have taken up three projects to enhance the G2C service user experience i.e. Rural Timber Permit, Medical Services and Passport. Further, to institutionalise DT in Bhutan, RCSC will organise annual DT workshops and use DT practitioners to take up projects for improving public service delivery. RCSC in collaboration with RIM and RIGSS is also planning to institute DT as a programme in both the institutes.

#### **3.1.3.6 Space Engineering under RGoB Funding**

In order to build technical expertise in the field of space and satellite technology, the Royal Government decided to participate in the “BIRDS-2 Project” which is a cross-border interdisciplinary satellite project for non-space faring countries. As part of the project, the RCSC announced, selected and sent three civil servants for Master in Space Engineering at KYUTECH, Japan under RGoB funding. The project aims to provide engineers and university students with hands-on experience and education in satellite engineering and technology.

#### **3.1.3.7 Monbukagakusho (MEXT) Scholarship for Teachers**

RCSC was able to start a new scholarship area under the MEXT scholarship specifically targeted for the teachers to provide professional development and exposure. It is a Certificate level research course for teachers who do not have Master’s Degree. Three teachers are in Japan undergoing the course (from 1<sup>st</sup> October, 2016 to 31<sup>st</sup> March, 2018) and another three teachers have been selected for the programme and are scheduled to leave for Japan in October 2017 (the intake may vary from two to three slots every year).

#### **3.1.3.8 Government of Italy Scholarship**

The RCSC received a new scholarship from the Government of Italy. Considering the specialisation needs in procurement and the difficulty of finding such courses, Master in Public Procurement for Sustainable Development at the University of Turin, Italy and/or MBA (specialisation in supply chain management) at the Università di Tor Vergata, Rome, Italy was prioritised.

### 3.1.3.9 Short-Term Training from Thailand

Under the Annual International Training Courses for 2017, TICA (new offer outside of three year technical programme) has offered 33 courses which consist of 66 slots (two slots each per course). As on 2<sup>nd</sup> June, 2017, RCSC implemented 24 courses with a total of 48 slots that it has received thus far.

### 3.1.4 Status on Annual Scholarships Administered/Received by RCSC

The RCSC received more than 41 scholarship offers in addition to the six regular scholarship programmes as detailed below:

*Table 29: Slots Detail for Scholarships Administered by RCSC and Scholarship Offers received during 2016-2017 (STT 6,833+ slots & LTT 160+ slots)*

Sl. No	Scholarship	STT slots	LTT slots
<b>Six Regular and Major Programmes (Scholarship Administered by RCSC)</b>			
1	Gol PTA	6,622	4
2	Nehru-Wangchuck Scholarship (three slots for private and corporate employees)		8
3	AAS	8	33
4	TICA	45	50
5	TPS		5
6	RGoB-RIM Scholarship		10
<b>Other Programmes (scholarship received by RCSC)</b>			
7	Fulbright Scholarship (undergraduate)		1
8	Institute of Developing Economies Advanced School: IDEAS	1	
9	International Visitors Leadership Programme	5	
10	Hubert H. Humphrey Scholarship		2
11	Monbukagakusho: MEXT (Masters & Undergraduate), Japan		6
12	Monbukagakusho: MEXT (Certificate level for teachers), Japan		3
13	Japan International Cooperation Agency: JICA (Group Region and Focused Training)	33	2
14	Malaysian Technical Cooperation Programme: MTCP	1	
15	Singapore Technical Cooperation Programme: SCP/ SCPTA	13	
16	The Neighbouring Countries Economic Development Cooperation Agency: NEDA	4	

Sl. No	Scholarship	STT slots	LTT slots
17	Annual International Training Courses for 2017, TICA	66	
18	Korea International Cooperation Agency (KOICA)	36	
19	Government of Italy Scholarship		1
20	CUHK CCOUC, Hong Kong-Chow Tai Fook Charity Foundation Public Health Scholarship for Master in Public Health		2
21	Princess Maha Chakri Sirindhorn's Scholarship, Thailand		1
22	Chulabhorn Graduate Institute Post-graduate Scholarship: CGI, Thailand		5
23	Prince of Songkla University Scholarship, Thailand		Upto 7
24	TCS-Colombo Plan:		
24.1	i. Indian Forestry Service course		2
24.2	ii. Indian Administrative Service course		3
24.3	iii. Indian Accounts & Audit Service course		2
24.4	iv. Indian Revenue Service course (Tax & Customs)		7
25	Masters/Post Graduation in the School of Ecology & Environmental Studies and School of Historical Studies at Nalanda University, Bihar, India: Gol		2
26	Kerala Government/CDS Scholarship for MA (Applied Economics): Gol		5
27	North South University (NSU), Dhaka, Bangladesh Scholarship Masters in Public Policy and Governance (MPPG)		1
28	Temasek Foundation International Governance and Public Administration (TFIGPA) Programme	Upto 4	
29	Colombo Plan and KDI Scholarship for Master degree, South Korea		Upto 2
30	SAARC FRI Scholarship		Upto 10
31	MSc Degree in Rehabilitation Science at Bangladesh Health Professions Institute, SAARC Development Fund		Upto 20
32	Young Leaders' Programme 2016 for Master's Degree in Law (International Economic & Business Law), Japan		Open
33	Matsumae International Foundation Research Fellowship Programme		open
34	Masters & PhD Programme at GRIPS, Japan		open

Sl. No	Scholarship	STT slots	LTT slots
35	Master degree scholarship under the KDI school of Public Policy and Management: Korean Government Scholarship Programme (NIIED GKS-KGSP)		open
36	Sirindhorn Technology Scholarships Fund for Graduate Degree Programme (Bachelor's, Master's or Doctoral Degree)		open
37	Indian Technical and Economic Cooperation Programme: ITEC	open	
38	SAARC Agricultural PhD Scholarship		open
39	Partial Scholarship from COMSATS Institute of Information Technology (CITT), Pakistan		open
40	New Zealand Development Scholarship		open
41	Government of Brunei Darussalam Scholarship		open
42	Swiss Government Excellence Scholarship		open
43	Swedish Institute Study Scholarships Programme (SISS) for Master Degree		open
44	Canadian Scholarship		open
45	Turkey scholarships for Undergraduate and Postgraduate Programmes		open
46	Faculty of Bioscience Engineering of Ghent University Scholarships for Master's degree		open
47	Netherlands Fellowship Programme	open	open

These scholarships are for both civil servants and non-civil servants (if eligible as per donor requirement). Civil servants also receive HRD support implemented at Agency/Ministry level under RGoB financing and donor projects.

### 3.1.5 Undergraduate Scholarship Programmes

RCSC in collaboration with DAHE continues to work towards plugging gaps in RGoB's technical expertise through strategically aligning undergraduate scholarships to the critical needs of the Civil Service. 15 undergraduate programmes are prioritised for 2017 intake. These are critical HR requirements which are not readily available in the market or which cannot be met through in-service HRD interventions.

Table 30: Undergraduate Scholarship Programmes

Sl. No.	Area/Field	Slots
1	B.Sc. Statistics	8
2	B.Tech. (Aircraft maintenance)	2
3	B.Tech. (Avionics)	1
4	MBBS	30
5	B.Sc. Meteorology	2
6	B.Sc. Veterinary Science	2
7	B.Tech. Civil Engineering	2
8	B.Sc. in Microbiology	1
9	B.Sc. Speech Therapy	1
10	B.Sc. Audiology	1
11	B.Sc. Agriculture/Horticulture	2
12	B.Sc. Chemistry	1
13	B.Sc. Applied GIS	2
14	B.Sc. Mining Engineering	2
15	B.Sc. in Geology	2
<b>Total</b>		<b>59</b>

These undergraduate scholarships are earmarked for recruitment into the Civil Service for the year 2020 onwards depending on the course completion date and BCSE result. For professions that are critically required due to acute shortage of supply, candidates shall be recruited on contract if they fail to get selected through the BCSE.

Employment in the Civil Service is not guaranteed to the scholarship students. The RCSC has the first right of refusal whereby scholarship students can be freed of their obligation to join the Civil Service when they are surplus to requirement. Going forward, such cases will be few as there is now closer alignment between pre-service, DAHE Scholarship and RGoB's future needs as highlighted earlier.

### 3.1.6 Major HRD Issues

#### 3.1.6.1 Need to Enhance RGoB Funding for HRD

Investment in human resources has been proven to be the most effective way to improve organisational performance and boost innovation and creativity. In a rapidly changing external environment, it is necessary to continuously develop and enhance the capacities of the human resources. This demands a constant flow of resources and given its criticality to good governance, it is crucial that RGoB resources are also reserved for this purpose. This is especially important in view of the shrinking aid and grants scenario.

Towards this end, the Commission is working to secure a certain share of the budget for HR development in the Civil Service in the 12<sup>th</sup> FYP. At present, total investment in HRD of the Civil Service is less than 3% of the total recurrent expenditure. This needs to be increased to at least around 5% of total recurrent expenditure. To ensure its proper utilisation, all trainings, short term and long term in future will be need based and for the majority, tied to approved competency framework and in-country/ on the job training. LTTs too will be tied to clearly identified needs of the RGoB so that dependency on expensive consultants can be reduced and the pool of resident experts in critical areas are enlarged.

### **3.1.6.2 Lack of Consolidated Information on HRD Investment**

Budget for HRD under Budget Code 45.01 for 2016-17 for the entire Civil Service was Nu. 413.014 M. Out of this, Nu. 161.493 M was approved for RCSC to be used for the whole Civil Service. RCSC reports the HRD implementation status (Nu. 161.493 M) for the Civil Service in its Annual Report while HRD programmes for Nu. 251.521 M are reported by the respective Agencies and the MoF. Consequently, it has not been possible to provide a consolidated report on the HRD implementation status for the whole Civil Service.

For the Financial Year 2017-18, the Commission is planning to consolidate the HRD budget information for the whole Civil Service and have Annual HRD Plan for every agency that has approved HRD budget for the year. This will not only result in having consolidated HRD budget expenditure information for the whole Civil Service which will facilitate policy level analysis and decision making but also help address operational issues such as ad-hoc implementation of HRD programmes (during the months of May and June) which hampers service delivery especially at LG level. This initiative will lead to planned HRD interventions without compromising on the HRD implementation autonomy given to Agencies.

### **3.1.6.3 LTT focus on Specialisation as per Super Structure Framework**

To make HR investments more purposeful, the Commission is increasingly aligning the LTT to specialisation requirement of Agencies even for the scholarships secured by individual civil servants. With the implementation of Super Structure framework, the Commission expects greater alignment of LTTs to specialisation requirement of the RGoB.

### **3.1.6.4 Delays in Fund Release**

Though the RCSC submitted the expenditure report for the FY 2015-16 in May 2016 to seek the fund release for the FY 2016-17, there was delay in fund release by eight months. RCSC was able to get the release in February 2017 which left only four months for implementation. Consequently, RCSC and *Dzongkhags* were able to achieve 87.81% and 62.56% fund utilisation respectively. However, the funds and related activities will be implemented in the coming year.

## 3.2 Human Resource Management

The HRM functions cover recruitment, appointment, transfers and promotion of civil servants and other allied functions. A core function of the RCSC is to provide required staffing to the Agencies as per plan while ensuring its core mission of maintaining a small, compact and efficient Civil Service.

### 3.2.1 Staffing

To align staff requirement with organisational mandates and increasing demand for efficient delivery of public service, staffing review for the following few Agencies have been carried out during the FY 2016 –17:

Table 31: Staffing Review

Sl. No.	Name of the Agencies	Approved till 2020	Remarks
1	Royal Audit Authority	250	Reviewed for the first time after 10 <sup>th</sup> plan. Growth by 20.8%
2	Cabinet Secretariat	45	Reviewed for the first time after 10 <sup>th</sup> plan. Growth by 18.4%
3	Bhutan National Legal Institute	21	No Growth
4	Department of Forests and Park Services under Ministry of Agriculture and Forests	1,677	Additional post creation of 68
5	Department of Technical Education under Ministry of Labour and Human Resources	25	Additional post creation of 6. It is a new Department with dissolution of Department of Human Resource.
6	Ministry of Finance	1,024	Growth by 17.29%
7	Bhutan InfoComm and Media Authority	31	Additional post creation of 3 and growth by 10.7%
8	National Center for Hydrology and Meteorology	194	Additional post creation of 38 and growth by 24%
9	Bhutan Narcotic Control Agency	53	Additional post creation of 35 and growth by 194.4%
10	Dratshang Lhentshög	26	No growth
11	Royal Civil Service Commission	99	Additional post creation of 27 and growth by 37.5%
12	Judiciary	633	No growth
13	National Environment Commission	58	Additional post creation of 11 and growth by 23.4%

Sl. No.	Name of the Agencies	Approved till 2020	Remarks
14	Office of the Attorney General	69	Additional post creation of 25 and growth by 56.8%
15	Drug Regulatory Authority	40	Additional post creation of 15 and growth by 60%
16	Gelephu <i>Thromde</i>	73	Growth by 8.9%
17	National Land Commission Secretariat	219	No growth
18	Bhutan Medical and Health Council	7	Delinked as autonomous agency. Additional post creation of 8 and growth by 200%
19	20 <i>Dzongkhags</i>	3,506	Growth by 34.5%
20	Cabinet Secretariat	45	Additional post creation of 7 and growth by 18.4%

### 3.2.2 Recruitment

In line with the decision of 43<sup>rd</sup> Commission meeting held on 6<sup>th</sup> October, 2015, a single window recruitment system effective 1<sup>st</sup> January of every year was introduced, beginning in January 2017 and in Agencies with assessed vacancies as per annual recruitment plan. This was done mainly to ensure strategic and systematic recruitment plan for greater transparency and predictability in recruitment. Furthermore, this aligns the recruitment window with the PMS and promotion cycle, thus enhancing HRM and easing administrative burden.

In line with the principle of equal pay for equal value of work, the entry Position Level for Environment Services and ICT Services in the PMC was fixed at P5 Level. This was necessary since current graduates with three years (*entering at P5 level*) and four years degree (*entering at P4 level*) carry out the same roles and responsibilities. Going forward, in all such cases, the RCSC will rationalise a single entry Position Level.

Recruitment of regular civil servants impose a huge cost to the RGoB. Therefore, it is important to ensure optimal utilisation of the available HR by putting in place well planned staffing pattern, recruitment plan and efficient utilisation of staff. The following table shows the total cost (based on current pay scale) incurred by the RGoB from recruitment to superannuation, excluding costs related to HRD. A look at the table shows clearly the high costs of HR and thus underlines the need to make optimal use of it.

Table 32: Life Cycle Cost

Sl.No	Entry Level	Age of Entry	Superannuation Age	Years of Service	Total Expenditure in million
1	P4 A	24	60	36	27
2	P5A	24	60	36	24.2
3	S1A	24	58	34	16.8
4	S2A	23	58	35	15.8
5	S3A	24	58	34	14.1
6	S4A	24	58	34	12.8
7	S5A	23	58	35	12.1
8	O4A	25	56	31	7.1

To ensure the temporary needs do not lead to permanent recruitment, contract recruitment has been actively pursued in the recent years for the following reasons:

1. It allows for flexible HR management. It is also suitable for meeting immediate and urgent requirements. On the other hand, it helps to create space for taking in a steady number of the best and brightest as regular recruits into the Civil Service; and
2. For new positions, including those that could be phased out/outsourced, or are uncertain, hiring contract staff allows RCSC leeway to assess the job size for effective utilisation before deciding whether to make such positions regular or not.

The shortage of medical specialists remains a major challenge in the health sector. This is compounded by retention issues. The RCSC worked with the MoH on a financial proposal to help retain specialists but it remains with the Cabinet. At the same time, since there are critical specialisation areas that in-service doctors are not keen to pursue, 14 doctors were directly recruited against the critical specialisation identified by the MoH. These doctors will be sent for their specialisation as soon as possible, using RGoB/TICA funds that the MoH receives annually for such HR investment but which till now, was not used in such a targeted manner. The 14 specialisation areas identified include Anaesthesiology, Pathology, Forensic, Radiology and others. This approach holds great promise for accelerating the buildup of the necessary capacity and critical capabilities which would reduce cost of hiring expatriates as well as referral. Therefore, the RCSC, along with the MoH, will support and monitor its implementation closely.

The Commission also approved recruitment of substitute teachers as replacement for those on maternity leave, necessitated by the extended maternity leave from three months to six months and the fact that in workplaces like schools, the number of females working as teachers are high. The statistics shows that about 43% of the teachers are females and the age of around 63% of female teachers ranges from 21-35. In 2014, approximately 200 availed maternity leave.

Table 33: Recruitment of Civil Servants by Position Category and Employment Type

Position Category	Regular	Contract	Total
<b>Executive and Specialists</b>		<b>1</b>	<b>1</b>
EX3		1	1
<b>Professional &amp; Management</b>	<b>677</b>	<b>296</b>	<b>973</b>
P1	1	3	4
P2		5	5
P3	1	3	4
P4	208	7	215
P5	467	278	745
<b>Supervisory &amp; Support</b>	<b>557</b>	<b>147</b>	<b>704</b>
SS2		1	1
S1	114	1	115
S2	164	23	187
S3	100	1	101
S4		1	1
S5	179	120	299
<b>Operational Staff</b>	<b>3</b>	<b>187</b>	<b>190</b>
O1	1		1
O2	2	14	16
O4		173	173
<b>Grand Total</b>	<b>1,237</b>	<b>631</b>	<b>1,868</b>

### 3.2.3 PMC Recruitment Projections till 2025

After the OD Exercise, rationalisation of HR needs exercise for Ministries and Agencies were carried out based on the HR standards, SOPs and TAT. Working hours of 1,603 in a year accounting for 7 hours per day and 229 days in a year were used as the baseline for assessing staff needs, wherever applicable. For instance, for the Education Services Group, a Teacher Recruitment Exercise tool has been developed to be used as a basis for determining the numbers of teachers required (see box below).

### Teacher Recruitment Exercise

Going forward Teacher Requirement Exercise (TRE) tool has been instituted for each school based on the following formula:

$$\text{No. of Teachers} = \frac{\text{No. of hours allocated per subject per week} \times \text{No. of sections}}{18 \text{ hrs per teacher per week}}$$

The TRE determines how many teachers are required in each school in each subject. Further, each Teacher has one subject area specified that s/he specialises in, except for general/primary school Teachers. This facilitates sharper Teacher requirement projection. As per the TRE of 23 December, 2016, there is a total requirement of 8904 Teachers for the schools in the entire country.

However, for Extended Classrooms and Primary Schools with less than 200 students, teacher numbers rationalisation is done after the formula for determination of number of teacher is applied.

The current staffing projection is made till 2025, though HR needs will have to be reassessed after the launch of the 12<sup>th</sup> FYP. The recruitment plan has also been worked out based on the assumption that annual staff growth should not exceed the annual population growth rate, so that the ratio of civil servants to the population is maintained. There is an overall approved staff of 29,835 (excluding of drivers) till 2020.

Table 34: Recruitment Projection at PMC till 2025

Sl. No	Category	2018	2019	2020	2021	2022	2023	2024	2025
1	Administrative Services	36	40	40	40	40	40	40	40
2	Finance Services	30	30	30	25	25	25	26	26
3	Teaching Services	140*	410	399	383	387	391	395	398
4	Technical Services (Law)	10	10	10	12	12	13	13	13
5	Technical Services	273	280	280	133	134	136	137	139
<b>TOTAL</b>		<b>489</b>	<b>770</b>	<b>759</b>	<b>593</b>	<b>599</b>	<b>605</b>	<b>611</b>	<b>617</b>

\*Change in the B.Ed. academic calendar. It now starts from July (fall) unlike the earlier academic calendar which used to start from February (Spring).

The above recruitment projection is based on the existing number of vacancies in the Civil Service with an attrition of 2.28% annually. The number projected for the Administrative Services (PGDPA) is slightly lower than the actual number determined. This is because, assumptions were made that certain positions of Administrative

Services such as *Gewog* Administrative Officer, Security Officer, Personal Secretary, and etc. may be filled in by contract staff. Further, upon review of the ToR, there are possibilities of some Administrative Services positions being converted into SSC positions like Estate Manager and Record Officer. The proposed recruitment for Administrative Services otherwise would be 76 annually. These positions constitute 18.5% of the total Administrative Services positions currently approved.

Current statistics indicate that there are only 285 employees in P1 level against the 494 P1 positions although there are 565 in P2 level. It shows that only 58% of the P1 positions are filled. Therefore, to address this issue, the Commission is working out strategies to ensure proper succession planning.

### 3.2.4 Redeployment of Excess Civil Servants

Redeployment was an outcome of OD Exercise whereby several excess staff were identified from various Ministries and Agencies. Out of 261 excess civil servants, 201 have been redeployed till now accounting for 77% of the total excess list submitted to the RCSC. During the redeployment exercise, to the extent possible, excess staff were redeployed within the same *Dzongkhag*. Genuine request of excess staff nearing superannuation or those with critical medical issues, were also considered. Some excess staff in the Agencies were also allowed to compete for lateral transfer through Open Competition announced by various Agencies.

Table 35: Redeployment of Civil Servants by Position Category

Sl. No.	Position Category	Total	Percentage
1	Professional & Management	18	9
2	Supervisory and Support	140	70
3	Operational	43	21
<b>Total</b>		<b>201*</b>	<b>100</b>

\*included those on EOL and Study Leave

### 3.2.5 Promotion

As an integral part of performance management, promotions are awarded to reward and motivate high performing civil servants. This process of review, discussion and final award is implemented two times in a year i.e. in the month of May and October. Normally, meritorious or out of turn promotion by one year or six months is granted to civil servants performing above and beyond the call of duty. 79 civil servants received meritorious promotion.

During the reporting period, a total of 4,132 civil servants received various categories of promotions. Of the total civil servants promoted, 50.63% of the civil servants were under SSC, 43.56% under the PMC and 5.61% under OC.

Table 36: Promotion of Civil Servants by Position Category and Type

Sl. No	Position category	Promotion Type				Total
		Specialist (P1)	Meritorious	Broad Banded	Fast Track	
1	Professional & Management	130	31	1,647	0	1,808
2	Supervisory & support		14	2,067	11	2,092
3	Operational			231	1	232
	<b>Total</b>	<b>130</b>	<b>45</b>	<b>3,945</b>	<b>12</b>	<b>4,132</b>

### 3.2.6 Transfer

Transfers are highly sought after by civil servants who wish to experience diversity or are working in difficult areas. However, since it was not well regulated, in many sectors, only those who had knowledge of such opportunities, were able to tap it. In order to uphold Civil Service values of transparency and meritocracy in transfers, except for the routine transfers by parent Agencies, the RCSC has made it mandatory for Agencies to announce all vacancies on their websites for at least two weeks. This should now provide equal opportunity to all civil servants working in every corner of the country to access and tap such opportunities based on their merit.

A growing concern is the high costs imposed on the government on account of Civil Service transfers. For instance, in the FY 2016-17, the expenditure on account of transfers was around Nu. 132 M. Many transfers are required by the BCSR 2012, especially those defined as “Vulnerable Groups”, for e.g., finance, procurement, immigration, etc. This was done with a view to reduce the growth of unhealthy relations and practices. At the same time, over the years, a number of changes have been introduced into the overall system, including the presence of strong oversight bodies such as the ACC and the RAA, as well as strengthening of internal systems with the presence of full time internal audit units and increasing automation in the workplace. Therefore, the Commission is reviewing the Vulnerable Groups concept in the revised BCSR to reduce unnecessary transfers on this account. Notwithstanding the above, the Royal Civil Service being a unified Civil Service, serving both at central and local government levels, transfers will continue to be a regular feature to allow civil servants to move forward in their career and to find the right job.

### 3.2.7 Separation

A total of 630 civil servants (2.2% of total) were separated from the Civil Service under different categories of separation as shown in the table below. Voluntary resignation accounted for over 55.40% of all separation.

Table 37: Separation of Civil Servants by Separation Type

Sl. No	Type	Count	Percent
1	Voluntary Resignation	349	55.4
2	Superannuation	96	15.24
3	Contract Termination	60	9.52
4	Early Retirement Scheme	48	7.62
5	Death	42	6.67
6	Compulsory Retirement	20	3.17
7	Termination	8	1.27
8	Tenure Completion	4	0.63
9	Cancel/ Withdrawal of Appointment	3	0.48
<b>Total</b>		<b>630</b>	<b>100</b>

Note: Jigme Singye Wangchuck School of Law has been delinked from the Civil Service w.e.f. 28<sup>th</sup> April, 2017 and accordingly 13 civil servants have been separated.

### 3.2.8 International Volunteers

Volunteers remain an extremely important resource and their services have augmented shortages of skills and experience in selective and highly technical and professional fields in the Civil Service. Volunteers also help to promote Bhutan's relations with its development partners. As of now, the RGoB receives international volunteers from four programmes stated in the Table below and from January 2018 onwards, volunteers from the Republic of Korea under the World Friends Korea Programme will be dispatched as well. Currently, there are 103 international volunteers in Bhutan on time bound contract as detailed below under four International Volunteer Programmes.

Table 38: Number of International Volunteers in Bhutan

Sl. No.	Programme	Total
1	Japan International Cooperation Agency (JICA) (Sr. Volunteers)	11
2	Japan Overseas Cooperation Volunteers (JOCVs)	39
3	Australian Volunteers for International Development (AVID)	25
4	Bhutan Canada Foundation (BCF)	17
5	Friends From Thailand (FFT)	11
<b>Total</b>		<b>103</b>

### 3.2.9 Secondment

The RCSC, in promoting the interest of the RGoB and fulfilling its obligations as a member of various international and regional bodies, deposes civil servants on secondment outside the Civil Service. Secondment also helps civil servants gain

diverse knowledge and skills. During the reporting period, 14 civil servants were seconded to the following Agencies:

Table 39: Secondment to Different Agencies

Sl. No.	Agencies	Total
1	Royal University of Bhutan	1
2	RENEW	2
3	SAARC Forestry Center, Nepal	1
4	Director, SAARC, Kathmandu	1
5	Director, Kathmandu, SAARC Development Fund	1
6	Director, BIMSTIC	1
7	World Health Organisation	1
8	Dungsam Cement Corporation Limited	1
9	Punatshangchu Hydroelectric Project Authority	3
10	Mangdechu Hydroelectric Project Authority,	1
11	Youth Development Fund	1
<b>Total</b>		<b>14</b>

### 3.2.10 Minimum Position Level of Sector Heads in *Dzongkhags*

Following the OD Exercise conducted in the LGs, the Commission has elevated the minimum Position Level for the sector heads in *Dzongkhags*. Having made thorough assessment, the Commission has endorsed P3 as the minimum Position Level of the sector heads in Engineering, Health, Agriculture, and Livestock sectors. Similarly, the Commission also endorsed P4 as minimum Position Level of the sector heads in Human Resources, Census, Environment, Culture and Land Record Sectors. However, the minimum Position Level of the civil servants heading Planning Sector is approved at P3, owing to the strategic role Planning Sector needs to undertake. The Commission also made an exception to those civil servants in technical positions (except environment) with two or more years of experience at P4 beginning in the following categories:

1. In-service candidates who have sat for the BCSE and been selected; and
2. In-service candidates who have reached P4 by vested right.

The Parent Ministries, with the exception of MoE are allowed to announce the post of the sector heads in the *Dzongkhags*, in consultation with the *Dzongkhags*, at P4/P3 level through Open Competition and for lateral transfer for general positions. However, Open Competition are allowed for general positions in the event the vacant positions are not filled through lateral transfer. This is a onetime concessional opening to expedite the recruitment at the level and will not be allowed after the vacancies are filled. However, prior to this, the Parent Ministry is requested to prepare a redeployment plan of the current staff who has been occupying the sector head post.

This recruitment will not lead to increase in the number of staff in the *Dzongkhags* as the staffing will be strictly as per the approved numbers.

### 3.2.11 Revised ToR for Sectors

One of the immediate outcomes of the OD Exercise in *Dzongkhags* was revision of ToR of the Sectors to provide more clarity and also strengthen and institutionalise their functions. The ToRs have been revised for the following sectors through a series of consultation with the relevant Parent Agency and *Dzongkhags*, subsequently deliberated and endorsed by the Commission:

1. *Dzongkhag* Legal Officer;
2. *Dzongkhag* Statistical Officer;
3. *Dzongkhag* ICT Officer;
4. *Dzongkhag* ICT Technical Associate;
5. *Dzongkhag* Internal Auditor; and
6. *Dzongkhag* Procurement Officer.

The ToR for Sector like Culture is still under development with the Department of Culture, MoHCA.

### 3.3 Human Resource Audit

The HR Audit was instituted in 2012 as per the CSAB 2010. With increasing decentralisation of HR functions at Agency level, the HR Audit was upgraded to a Division from Service so that the HR Audit can complement the functions of the other Divisions of RCSC besides ensuring uniform application of HR actions. A total of 14 Agencies have been audited including Ministries, Agencies and *Dzongkhags*. The HR Audit Division in the next five years shall audit 62 Agencies as listed below:

Table 40: Human Resource Audit Action Plan

Sl. No.	Agencies	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
1	Ministries*	5	3	2	5	3
2	<i>Dzongkhag</i>	5	10	1	4	8
3	Agencies	2	2	19	7	6
<b>Grand Total</b>		<b>12</b>	<b>15</b>	<b>22</b>	<b>16</b>	<b>17</b>

\*Ministries to be audited after every two years; *Dzongkhags* after every three years and Autonomous Agency after every five years.

HR Audit was conducted in MoAF and in Punakha *Dzongkhag* from November, 2016 till June, 2017. The report for Punakha *Dzongkhag* is in the draft stage.

### 3.3.1 Strategic HR Audit

As per Commission's directive, in addition to compliance Audit, for first time strategic HR Audit was conducted in MoAF. The exercise assessed the strength and weaknesses of the HR Division and its functioning vis-a vis the needs of the staff. The DT methodology was used to understand the user needs through surveys and interviews. Based on the user needs, recommendations were co-created with Agency's HR Officers and the MoAF staff. The recommendations are quick wins and are within the authority of Secretary/Chief HR Officer. Of the 41 recommendations, 13 have already been implemented by MoAF and four by RCSC.

The following are some of the recommendations:

1. Redesigned the internal HR process by outlining a step by step process for the entire HR process starting from recruitment till separation. Such a system in place ensures guidance for new HR Officer joining MoAF to easily carry out all HR functions;
2. Redesigned external HR processes. This process outlines the role of individual civil servants, Departments, documents required to avail HR services and the time taken for the entire HR process;
3. A delegation of authority between the role of HR Committee, HR Officer and Administrative Assistant has been drawn to allow for more decentralisation within the HR Division. This ensures HR Officers to focus on strategic work and Administrative Assistant on routine work;
4. Development of HR Google calendar to ease the day to day working in HR Division. This provides pop up reminder to HR Officers from time to time for easy management of day to day work;
5. Redesigned Letter of Awards (LOA) mentioning staff to share three things they have learnt with their respective divisions;
6. Civil Servants due for superannuation are to be informed six months in advance to ensure graceful exit. In addition, introduced exit interview with retired civil servants to improve the system and the portfolio of the retired civil servants are to be posted on the web for the long service rendered in order to make them feel valued;
7. Promotion notification redesigned and the list of civil servants due for promotion is attached so that civil servants do not lose out on promotion. To make the promoted civil servants valued, the list is also posted on the web; and
8. E-documentation of all official correspondences and E-Personal File.

### 3.3.2 Compliance Audit

HR Audit finding is based on compliance with CSAB 2010 and BCSR 2012. The summary of the HR actions audited in MoAF are as follows:

Table 41: Human Resource Audit Findings

Sl. No	HR Actions	Number Audited	Issues	
			Major	Minor
1	Recruitment	651 (59 contract)		136
2	Promotion including Open Competition	2,430 (64 Open Competition)	8	40
3	Training	7,359 (Formal-3962 & informal-3397)		4,893
4	EOL	125	3	36
5	HR Committee minutes	259 HR Committee meetings		11
6	ESP/GSP	690	1	22
7	ESP/GSP(training)	27	6	21

Some of the major observations made during HR Auditing in MoAF are:

1. Promotion granted to civil servants without meeting performance and duration criteria;
2. Civil servants availing EOL without fulfilling study duration;
3. Civil servants availing study leave without fulfilling EOL obligation;
4. GSP contract extension beyond superannuation; and
5. ESP availing ineligible ex-country training.

HR Auditing shall be completed in the remaining five Ministries by December 2017. With this, HR Auditing will be completed in all 10 Ministries. In addition, a draft HR Audit Manual has been made that will serve as a guideline for the HR Auditors to carry out effective HR auditing across the Civil Service. Given the importance of the HR Audit activity to the mandate of the RCSC, strengthening of the HR Audit Division and increasing the periodicity and coverage will be a priority of the Commission.

### 3.4 Bhutan Civil Service Examination

Civil Service recruitment examination for university graduates was introduced as far back as in 1983 with the objective of instituting a proper selection system based on meritocracy. Over the years, the recruitment and selection system has been strengthened to attract and select the best and the brightest graduates through healthy and fair competition for appointment in the Civil Service based on the principle of meritocracy.

In 2016, a total of 4,027 graduates initially registered online out of which 3,536 actually appeared the Preliminary Examination (PE) conducted in August 2016. While 2,659 graduates obtained 50% and qualified for the Main Examination (ME), only 2,487 graduates appeared the ME. Ultimately, 480 graduates were selected based on the requisition submitted by the Ministries and Agencies and in line with the approved staffing the breakdown of which is as follows:

Table 42: Recruitment of BCSE Selected Graduates

Sl. No.	Category of BCSE	No. of Graduates Selected
1	Post Graduate Diploma in Public Administration (PGDPA)	36
2	Post Graduate Diploma in Financial Management (PGDFM)	30
3	Post Graduate Diploma in Education (PGDE)	140
4	Technical including 10 PGDNL & two <i>Dzongkha</i> Graduates for Direct appointment	274
<b>Total</b>		<b>480</b>

While 264 graduates under the technical category were appointed with effect from 1<sup>st</sup> January, 2017, 216 graduates are currently undergoing one-year mandatory Postgraduate Diploma Programmes in Public Administration, Financial Management, National Law, and Education in RIM, Paro College of Education, and Samtse College of Education respectively.

Similarly, BCSE for B.Ed. graduates was conducted in January 2017. Of the total of 574 registered candidates, 279 were recruited as regular civil servants. 100% recruitment of the B.Ed. graduates was done away with since 2015 in the process of rationalising recruitment of teachers and ensure quality of future teachers through competitive examinations.

### 3.4.1 Exemption of PE for MBBS Graduates

In line with the objective of the PE to shortlist graduates for the ME where the supply is in excess to the requirement, the Commission exempted MBBS graduates from appearing the PE since BCSE 2014. However, MBBS graduates are required to appear and meet the minimum threshold of the ME for recruitment into the Civil Service and for merit ranking based placement.

### 3.4.2 Conducting PE in Different Regions

Graduates register online for PE which is accessible from any part of the world. PE consists of one question paper of 2.5 hours duration. With the aim to reduce the burden on the candidates to travel to Thimphu just for the purpose of appearing the PE, the Commission offered Monggar and Gelephu as alternate venues for PE last year, subjecting to a minimum number of graduates choosing these venues. However, with less than 100 graduates opting to appear the PE in these venues, it was not cost effective for the government and therefore the proposed plan did not materialise. One reason for the lack of demand was the National Graduates Orientation Programme (NGoP) being held around the same time in Thimphu.

### **3.4.3 Report on the Performance of Graduates from Different Institutions in the BCSE**

In continuation to the report on performance of graduates from different institutions in the BCSE published for the last five years: 2011-2015 in 2015, the RCSC published the report on performance of graduates by institutions for the BCSE 2016 as well. The objective behind the report is to provide feedback that can be useful in making the right choice of institutions to pursue further studies.

For instance, the report showed that most of the successful students are from Sherubtse College and Gaeddu College of Business Studies. In the last three years, Sherubtse College has consistently topped in the BCSE general category with 98 graduates selected from 462 graduates in 2016, 81 graduates from 268 graduates in 2015, and 86 graduates from 271 graduates in 2014 in the ME. The report also showed that only one was selected in the PGDFM category from around 242 students that appeared for the PE in 2014 to 2016 from the institutes currently embroiled in the controversy surrounding the SMU distance learning courses they were offering, such as BB Pradhan Management College, Kalimpong, Academy for Professional Excellence, Kolkata, SMU Shillong & SMART Academy, Siliguri, and Star Institute of Management, Siliguri. Thus, the report can serve as a useful advisory to parents and children in searching for good colleges. The Commission will publish such reports every year.

Bhutanese students opting for institutions without adequate information on their quality is a growing concern for the students themselves as well as for their parents. Many students who enquire with the Commission on colleges in India are directed to visit the University Grants Commission website which provides comprehensive information on accredited universities and their colleges in India. In addition, they are also advised to seek feedback from those who have already studied in these institutions.

### **3.4.4 Royal Bhutan Police (RBP) Recruiting Graduates who Pass BCSE**

Starting from 2016, RBP has been recruiting only graduates who have cleared the BCSE threshold for their officer cadre based on the understanding established with the Commission.

### **3.4.5 New Features for BCSE Online**

The BCSE online system has been upgraded with the addition of several new features, most prominent of which are linking the candidate details to G2C citizen data, and generating e-Admit card.

### 3.4.6 Medical Certificate

It was compulsory for all graduates appearing the ME to produce a medical certificate of “fitness”. Many felt that the medical fitness test should only be imposed on those selected into the Civil Service, thus reducing unnecessary cost and burden on the individuals and the health services. Accordingly, the Commission has decided that from this year onwards, only those successful in the BCSE would have to produce a medical certificate of fitness.

The Commission also took a decision to include a “drug” test requirement alongside the medical fitness test, from this year. All recruitments into the Civil Service will be subjected to this requirement. This will help to uphold the Civil Service Code of Conduct which explicitly prohibits such indulgence as well as support the national effort to deter drug use, especially among the youths. The Commission is also looking into introducing such requirement for in-service candidates wishing to pursue further studies.

### 3.4.7 Cost of BCSE

With better access to tertiary education systems both within and outside the country, the Commission has been receiving increasing number of graduates appearing for the BCSE. Hence, the cost of conducting the examination has been rising over the years. The cost incurred for conducting BCSE 2016 was Nu. 15.600 M. The cost is incurred mainly for paying honorarium for various resource persons and logistics.

Year 2016 saw the highest number of graduates registered for the BCSE till date. A total of 4,027 graduates registered for the examination. To accommodate large number of graduates appearing the PE, the RCSC liaised with eight schools in Thimphu to be used as the examination centers. The examination was administered by 433 invigilators, mainly teachers in respective schools who have expertise in the conduct of examinations, with support and central coordination from the RCSC. Every year, the PE is scheduled on Sunday, around first week of August, so that there is a minimal disturbances to schools and its schedules.

There was a significant increase of 1,004 graduates appearing ME, from 1,511 candidates in 2015 to 2,515 candidates in 2016. Besides conduct of written examination, the RCSC mobilised pool of resource persons from other Agencies for the panel interview based on the relevancy and field of specialisation. The panel interviews are chaired by Commissioners, civil servants in EX/ES positions and superannuated civil servants who have held EX positions during their tenure. A total of 308 teachers and officials have been involved as invigilators for ME written examinations and 108 officials participated as members of the interview panels for the BCSE 2016.

Behind various activities of the BCSE, equal efforts are being put in for preparation of examination resources. For instance, the RCSC has mobilised as many as 65 resource persons for preparation of the examination resources. Evaluation of papers for the general graduates alone was carried out over a month-long duration by 14

resource persons. Besides assessments, all examination papers are verified and re-verified by different dedicated teams from the RCSC to ensure rigor and error free examinations results. The examination materials are handled with the highest degree of professionalism, integrity and confidentiality.

Further, the RCSC has facilitated three candidates with special needs. The ordinary examination resources are transcribed in braille prior to the examination. These are reproduced with the help of resource persons, for evaluation with the papers of other candidates.

### **3.5 Human Resource Officers**

The HR Officers are the key officials at the RCSC Secretariat and in the Agencies who carry out important human resource functions. As on date, there are 127 HR Officers with a median age of 32 years, spread across 10 Ministries, 20 *Dzongkhags* and other Agencies. The HR as a profession in the Civil Service was instituted from 2006, but the focus was largely on the administrative aspect of compliance to the BCSR. Recognising the importance of the HR function beyond compliance to rules and regulations, the present Commission reviewed the role of this profession and came out with the five HR roles in the Civil Service. The five roles are as strategic partner, employee champion, change agent, administrative expert and integrity advocate. Even globally the HR function is gaining stature with HR being recognised as the key to any organisation's success. With the changed role and related training HR Officers should now be able to play a lead role in organisational development, talent acquisition and management, developing work force resilience and HR analytics.

#### **3.5.1 HR Officer's Competency Training**

To effectively carry out the five roles by the HR Officers, the Commission approved the HR competency based training. The HR competency training comprises of four level training in the entire career of a HRO: HR foundation course for new recruits; Competency Level I for HROs in P5 and P4; Competency level II for P3; and Competency I for P2 and above. During FY 2016-17, a total of 51 HR Officers were trained in Competency level I through the GoI PTA fund.

The Commission is optimistic that the competency based mandatory training would boost the HR Officers' confidence and competence and they in turn would make the HR system in the RGoB robust and be the driver of "excellence in service."

#### **3.5.2 Human Resource Officer's Workshop**

The RCSC conducted the *Human Resource Officer's Workshop* from 10-12 April, 2017 at Gelephu on the theme '*Enhancing HR Services*'. The workshop was attended by HR Officers from the Ministries, Agencies and *Dzongkhags*. The main objectives of the conference were to:

1. Update on the Five Key Reforms;
2. Ensure uniform application of rules and regulations through effective understanding and implementation of BCSR 2012;
3. Obtain feedback from HR Officers on the changes required in the BCSR 2017; and
4. Enhance the esprit de corps within the HR fraternity and the HR profession.

The workshop was an effective forum to communicate on the rationale behind various reforms and interventions made by the Commission. The forum highlighted the importance for HR Officers to understand the criticality of their roles in promoting and sustaining the motivation of the fellow civil servants. The workshop was used to consult and obtain feedback on the proposed changes in the BCSR 2017. The workshop also reiterated the importance of the five roles of HR Officers in helping civil servants to deliver their roles and responsibilities in an efficient and effective manner.

### **3.5.3 Human Resource Committee Meetings at RCSC**

The HR Committee meeting at RCSC Secretariat reviews HR issues received from Agencies for the Commission meetings. During the reporting period, a total of 39 meetings were held.

## **3.6 Information Technology Updates**

### **3.6.1 Information Accuracy in CSIS**

The nationwide information correction was initiated in August 2014 to assess the correctness of the Civil Service information system and improve upon it. The second phase was conducted in March 2016 with the objective to achieve at least 95% level information accuracy in CSIS. As on 30<sup>th</sup> June 2017, 95.45% of civil servants have confirmed the accuracy of their CV. Given that the system is dynamic, on account of recruitment, transfer, promotion and trainings, this is a high level of accuracy that the RCSC will strive to maintain.

To ensure that information accuracy is always maintained, the following are some of the strategies and control that have been put in place:

#### **3.6.1.1 System Control**

Control in CSIS is being developed where civil servants will not be able to proceed with any HR action if the civil servants have not verified their CV.

#### **3.6.1.2 Single Source of Truth**

Information on civil servants from CSIS is enforced as single source of truth for all information related to civil servants. All external systems where civil servants information is being used will be linked to CSIS through the Data Hub implemented by DITT.

### **3.6.1.3 Common IWP for all HR Division**

Besides technological updates to ensure accuracy of information, RCSC has cascaded its Annual Performance Targets (APT) into IWPs for HR Divisions of the line Agencies. For HR Divisions in line Agencies, maintaining up to date Civil Service information is one of the mandatory targets.

### **3.6.2 Move to Government Data Center (GDC)**

For better security and reliability, core RCSC systems, namely CSIS, MaX Online and LFS have been successfully moved to the GDC.

### **3.6.3 SMS Gateway**

For effective and efficient service delivery to the civil servants, SMS features have been introduced in all our systems. The following are the features that will be provided:

1. SMS on appointment/contract expiry/promotion/superannuation/LTT;
2. SMS on CSWS claim, refund & fund status;
3. SMS on BCSE Examination details;
4. SMS on MaX (reminder to submit IWP);
5. SMS on LFS (reminder to provide feedback); and
6. Provision to send bulk SMS.

### **3.6.4 Digital Archiving**

RCSC serves as the “Institution of Civil Service Records”. It has been maintaining hard copy of the personal files of all the civil servants. With the growing volume of documents and related issues of storage, security and the risk of losing the files to natural calamities, digital archiving of personal files has become a necessity. The first phase of digital archiving will begin in the FY 2017-18.

## **3.7 Royal Civil Service Awards - 2016 (RCSA -2016)**

On the 109<sup>th</sup> National Day, 2016, His Majesty The King conferred RCSA to a total of 3,070 civil and public servants for their dedicated and lifetime service to the *Tsa-Wa-Sum*. The following is the summary of RCSA-2016:

Table 43: Summary of RCSA-2016

Sl. No	Category of Awards	Award Year 2016		Total Recipients
		Civil Servants	Public Servants	
1	Lifetime (Superannuation)	318	77	395
2	Gold (30+ Years)	269	69	338
3	Silver (20+ Years)	474	135	609
4	Bronze (10+ Years)	1,422	306	1,728
<b>Total Recipients</b>		<b>2,483</b>	<b>587</b>	<b>3,070</b>

The Bronze, Silver and Gold medals are awarded to the civil servants who have rendered 10 years, 20 years and 30 years of active service to the *Tsa-Wa-Sum* with dedication and loyalty while the Lifetime Service Awards are given to the superannuating civil servants who have served the *Tsa-Wa-Sum* till superannuation age.

His Majesty also conferred National Order of Merit, Gold, Silver and Bronze to 26 civil servants for their outstanding services to the *Tsa-Wa-Sum*. For civil servants, such awards are the highest and most treasured source of recognition, inspiration and motivation. Many civil servants have also been fortunate to receive Royal Audience during His Majesty's visits around the country. We remain deeply grateful to His Majesty for the recognition of the hard work of civil servants and rededicate ourselves to the *Tsa-Wa-Sum*. We also congratulate the recipients who serve as role models for all civil servants.

## PART 4 - ADMINISTRATIVE ACTIONS

Empowered with following provision of the CSAB 2010, the RCSC enforces administrative actions on erring civil servants:

Chapter 2, Section 27 (n) –“The Royal Civil Service Commission as the central personnel Agency of the Government shall exercise general disciplinary control over civil servants through the enforcement of all rules, regulations and relevant laws”;

Chapter 9, Section 79 – “Completion of a criminal trial or civil suit against a civil servant in a court of law shall not preclude the Disciplinary Committee from exercising jurisdiction under this Act”;

Chapter 10, Section 85 – “A civil servant shall be terminated from service if he or she is convicted by the court of law for a criminal offence of misdemeanor and above for offences related to discharge of official functions”; and

Chapter 10, Section 86 - “A civil servant shall be compulsorily retired from service with post service benefit if he or she is convicted by the court of law for a criminal offence of misdemeanor and above for offences not related to discharge of official functions.”

### 4.1 Administrative Cases Pertaining to the Civil Service Received by ACC.

A bilateral discussion was held between ACC and RCSC on 16<sup>th</sup> January, 2017 to have greater clarity on assignment of cases to RCSC by the ACC, and the following understanding was drawn from the discussions:

- 1 Cases forwarded by ACC to RCSC will pertain to administrative matters of Civil Service only. This is in line with RCSC’s core mandate of looking after administration of Civil Service. The actions that RCSC takes on such cases will be reflected in its Annual Report submitted to His Majesty, The King and The Hon’ble Prime Minister; and
- 2 It is RCSC’s understanding that ACC in line with its legal mandates will continue to look into all other cases of corruption.

The following tables provide summary of administrative actions taken against civil servants during the reporting period (July 2016-June 2017).

<b><i>No. of civil servants prosecuted before the court of Law</i></b>	<b><i>Administrative actions taken as per the delegation of authority against them based on the judgment of the Court.</i></b>
Two civil servants	One civil servant was terminated and the other civil servant was sent on compulsorily retirement.

<b><i>No. of Disciplinary cases against civil servant</i></b>	<b><i>Actions taken by the HRC of respective Agencies as per the delegation of authority.</i></b>
25 civil servants	Actions ranged from reprimand to compulsory retirement.

As per BCSR Section 19.2.3.2 and 19.2.10, the RCSC is the Appellate Authority for all appeals cases from Ministries/Agencies. Accordingly, the RCSC receives appeals and takes necessary action. For appeals against decisions of the RCSC, the Appellate Authority is the Administrative Tribunal which, is yet to be established. To ensure the civil servants with grievances against RCSC can have the benefit of the full appeal system, it would be desirable if the Administrative Tribunal is established as soon as possible.

<b><i>No. of appeal cases received by RCSC</i></b>	<b><i>Actions taken by the RCSC</i></b>
14 cases	In all cases, the Commission upheld the decision of the Agencies.

## **PART 5 - NETWORKING AND LINKAGES**

Institutional linkages and networking provide opportunities for collaboration with institutions within and outside the country. Such collaborations offer RCSC opportunities to take benefit of critical skills and knowledge which are otherwise not available in the country besides providing platforms for learning and sharing of effective practices, experience and capacity development. Through the MOUs, support is provided to autonomous institutions outside the Civil Service for the overall benefit of the country. Therefore, considering the importance of such association, RCSC has formed linkages as follows:

### **5.1 Renewal of MoU with Union Public Service Commission (UPSC)**

The RCSC has renewed the MoU with the UPSC of India on 29<sup>th</sup> May, 2017. The areas of cooperation include:

1. Sharing of experiences and expertise in the Civil Service matters such as recruitment & selection, exchange of resource persons, and development of professional skills of officers and staff of both the institutions through attachment and training programmes; and
2. Other areas of cooperation shall also be explored in areas of mutual interests.

### **5.2 RCSC as Participating Member of Regional Hub of Civil Service of Astana**

The RCSC signed a letter of intent to join as a participating Member with the invitation of the Regional Hub of Civil Service of Astana on 3<sup>rd</sup> November, 2016. RCSC joined as a participating Member considering that both the organisations share a common effort in terms of Civil Service modernisation.

The Regional Hub was established during its Founding Conference in March 2013 with the support of President Nazarbayev by 25 countries of the region and advanced economies, and five international organisations, to serve as multilateral platform of exchange of experience and knowledge on Civil Service.

Its mission is to assist in promoting Civil Service effectiveness by supporting the efforts of governments of the regional countries in building institutional and human capacity through:

1. Bringing together both practitioners and scholars in Civil Service and public administration;
2. Facilitating building regional scientific school of thought on Civil Service and administrative reforms;
3. Benchmarking towards best regional and global practices in the field;
4. Shedding light onto success stories of countries – case studies;
5. Creation of a roster of international and regional field experts; and
6. Regular demand-driven capacity building seminars, roundtables, and conferences for Civil Service practitioners and scholars.

The Hub focuses on the following activities:

1. Civil Service research and knowledge management;
2. Civil Service capacity building in the participating countries; and
3. Partnership and networking.

The RCSC will be participating in a global study on motivation of public servants in developing countries. Bhutan will be one among eight countries participating in this global study. The motivation survey is expected to be conducted in September 2017.

### **5.3 MoU with ACC**

The RCSC signed a MoU with the ACC on 5<sup>th</sup> August, 2016. The purpose of the MoU is to provide a framework for cooperation and collaboration between the Parties to mutually resolve HR issues in the ACC, promote ethics & integrity, educate and prevent corruption in the Civil Service and provide access to/exchange of information.

Recognising the HR issues confronting the ACC especially in attracting, recruiting and retaining qualified and committed professionals, RCSC has been providing greater latitude to ACC in HR matters in the following areas:

#### **5.3.1 Structure**

Departments/Divisions can have Specialist who will work as an Advisor to the organisation.

#### **5.3.2 Recruitment & Selection**

1. The ACC can modify and adapt recruitment guidelines/procedures and in particular, short listing and selection criteria to meet its specific needs in recruitment and selection of;
  - a) Pre-service up to SSC and contract personnel up to PMC; and
  - b) In-service (EX) but the due process has to be completed with RCSC for the purpose of issuing office order and updating in CSIS.
2. The RCSC to waive off obligations for secondment and for Open Competition/transfer to a position in ACC;
3. Dispensation of the Super Structure criteria for the movement of civil servants to ACC. The ACC shall have the authority to change the MOG of civil servants within the organisation. However, the civil servant have to revert to their position grouping/Super Structure grouping if transferred outside ACC;
4. The RCSC will consider transfer of professionals, including through Open-Competition as long as the specialised knowledge and skills are relevant to ACC; and
5. The ACC may approve: 1) payment of higher salary or higher contract allowance based on qualification & relevant work experience; and 2) contract extension & renewal (*provisioned in Section 5.8.1.2 and 5.8.1.3 of BCSR 2012*).

### 5.3.3 In-service Training

1. The ACC may modify guidelines and procedures and in particular, short listing and selection criteria for training programmes;
2. All the HRD training must be based on the ACC requirement and must lead to professionalising the civil servants. Where competency framework exists, the HRD should be aligned accordingly;
3. The ACC may select its candidates for LTTs based on its internal selection criteria through Open Competition within ACC for transparency; and
4. The ACC may allow mandatory trainings of probationers and contract employees to carry out its core mandate.

### 5.3.4 Promotion

The RCSC shall give due recognition for the good services rendered to the ACC on deputation.

In the spirit of the MoU, the Commission approved appointment of three directors selected by the ACC and facilitated ACC to recruit in-service civil servants without the Super Structure restriction.

## 5.4 MoU with RUB

The RCSC and RUB signed a MoU on 18<sup>th</sup> November, 2015. The parties agreed to the following:

1. Provision for sharing of resources between RCSC and RUB;
2. Facilitate RUB to develop expertise in relevant academic fields;
3. Promote systematic planning and coordination to supply relevant graduates based on the changing needs of the Civil Service;
4. Align tertiary education programmes and services to the need of the government;
5. Ensuring value for money of the government scholarships provided to the RUB colleges; and
6. Adhere to and follow relevant policies and regulations of the government.

Further, participation of RUB and its institutions have been actively sought for services pertaining to RCSC's training and surveys. Under this MoU, the RCSC has allocated Nu. 5 M to RUB from the GoI-PTA fund for the FY 2016-17. Accordingly, the Agency has implemented 96 STTs in various priority areas.

## 5.5 MoU with KGUMSB

The RCSC signed a MoU with the KGUMSB on 15<sup>th</sup> December, 2015. The party agreed to the following:

1. Provision for sharing resource persons between RCSC and KGUMSB;
2. Facilitate KGUMSB to develop expertise in relevant academic fields;
3. Promote systematic planning and coordination to supply relevant graduates based on the changing needs of the Civil Service;
4. Align tertiary education programmes and services to the need of the government; and
5. Adhere to and follow relevant policies and regulations of the government.

Under this MoU, the RCSC has allocated Nu. 4 M to KGUMSB from the GoI-PTA fund for the FY 2016-17. Accordingly, the Agency has implemented 61 STTs in various priority areas.

### **5.6 MoU with Jigme Singye Wangchuck School of Law**

The RCSC signed a MoU with the Jigme Singye Wangchuck School of Law on 28<sup>th</sup> April, 2017 to support the Law School in terms of HRD and secondment of civil servants. 13 civil servants including an Executive have been separated to join the JSWS Law (some with service obligation). Further, one Chief Engineer was seconded till the end of December, 2019.

### **5.7 Collaboration with Judiciary**

In line with the extra latitude extended to Constitutional Bodies, the Commission has extended LTT eligibility waiver to civil servants pursuing legal studies under the Judiciary.

### **5.8 Collaboration with TICA**

During the period of review, the Commission implemented the 3<sup>rd</sup> Technical Cooperation Programme (2014- 2016). The joint review between the RCSC and TICA was held on 21<sup>st</sup> October, 2016 in Thimphu. During the review, the meeting reviewed the third Technical Cooperation Programme and extended the collaboration to fourth Technical Cooperation Programme. The ten-member delegation from Thailand was led by Ms. Suphatra Srimaitreephithak, DG, TICA, MFA.

### **5.9 Meeting of the Chiefs of the Civil/Public Service Commissions of SAARC Member States**

The Meeting of Chief of the Civil/Public Service Commission of SAARC Member States couldn't be convened as scheduled in Maldives. The Commission will attend the meeting as and when it is held. The Commission intends to strengthen the collaboration with UPSC in the future to study the best practices in recruitment and retention.

## **5.10 Volunteers under KOICA Programme**

The Republic of Korea for the first time will be dispatching Korean volunteers to Bhutan with effect from January 2018 to contribute to Bhutan's socio economic development. The RCSC, as an implementing Agency for all International Volunteer Programmes, has provided its views on the MoU to be signed between the two governments. The initiative will be part of the 30 years diplomatic relations between the two countries.

## **5.11 Amendment of Memorandum of Subsidiary Arrangement (MSA) between the RGoB and Government of Australia concerning the Australian Volunteers Programme**

The MSA signed between the RGoB and the Government of Australia concerning the Australian Volunteers Programme is amended and the RCSC as an implementing Agency for all International Volunteer Programmes has provided its views on clauses relating to implementation processes and procedures laid down in the amended MSA. The amendment was to include voluntary support in the field of TVET and entrepreneurship skills building which was not included in the earlier MSA.

## PART 6 - KEY ISSUES AND CHALLENGES

### 6.1 Keeping the Civil Service Apolitical

As enshrined in Article 26, Section 1, the RCSC is mandated to promote and ensure an independent and apolitical Civil Service in discharging its public duties in an efficient, transparent and accountable manner.

An apolitical Civil Service is critical to ensure continuity in policies and programmes by providing institutional memory and professional and independent advice that upholds the interest of the nation. At every opportunity, civil servants, especially those in Executive positions who have to work closely with ministers are reminded that as apolitical civil servants, their first reaction to any ministerial directive must be to provide, on record, the views of the organisation on the directive, drawing on the institutional memory and long years of experience. Therefore, the importance of maintaining an apolitical Civil Service that can speak “truth to the power” cannot be overemphasised. However, apolitical Civil Service does not mean non-responsiveness. The Civil Service must work together with the Government of the day to achieve the national goals through their respective sphere of jurisdiction wherein the Government provides strategic direction through policies whereas civil servants provide policy inputs, advise the Government and implement the policies.

As parliamentary democracy is new in Bhutan, the division of responsibilities between political masters and bureaucrats are still evolving. For e.g., there have been instances where Ministers have requested direct intervention in HR matters of the Agencies. However, RCSC has made clear that all HR matters must be conducted in line with the CSAB 2010 and BCSR 2012. Civil servants are also reminded that it is because they are servants of the State that the elected Government of the day, represented by the Cabinet, does not have “hire & fire” authority over them. This protection is to enable them to discharge their responsibilities without fear or favour. The Government of the day only has a say in the appointment of 31 Civil Service positions, Government Secretaries and *Dzongdags*, and that too confined to a list of merit based nominees provided by the Commission, that they in turn submit to His Majesty.

In general, the division of responsibilities between political masters and bureaucrats are self-evident i.e. politicians should devote their efforts on strategic/policy issues of the Ministries while bureaucrats provide professional services, implement the policies and generally take care of all operational and administrative matters. Towards this end, the RCSC is creating wider awareness among the bureaucrats on the need to work together with the Government of the day without compromising Civil Service values.

It has become important to create this awareness so that the institution of the Civil Service remains strong even as civil servants work closely with successive elected governments. The Commission stresses on this issue in the Annual Executive Forums with Heads of Agencies, namely Government Secretaries, Commission Secretaries,

Director Generals, *Dzongdags* and in the Roundtable Meetings with all other Executives. The RCSC also plans to work with RIGSS to include a session on the roles and responsibilities of the Civil Service vis-a-vis the Cabinet and the Ministers whenever they conduct their Leadership Programme for Parliamentarians (LPP).

## **6.2 Maintaining “Small, Compact and Efficient” Civil Service**

Maintaining a “small, compact and efficient” Civil Service remains a daunting challenge for the RCSC since the Civil Service is the single biggest employer in the country. The Civil Service to population ratio of 1:27 appears large when compared to such ratio of other countries. On the other hand, as a result of increasing Government mandates, optimising human resources will remain a constant challenge especially at a time when the Civil Service in general is seen as a better option to deliver most of the public services. The current youth unemployment situation also exacerbates this challenge for the RCSC as everyone turns to the Civil Service for employment. Also, the RCSC remains concerned about the future implications of some of the Government policies on reducing unemployment, such as the planned employment of 200 teachers for the Dratshang, a legacy which, might be difficult to undo in the future when continuity might be sought with the RCSC. Similarly, the RCSC has found it difficult to do away with positions and institutions that are now almost redundant such as the Gedrung position or Drungkhags in the interior of the country. As the RCSC turns to criteria based needs assessment for HR requirement, another source of high HR demand that may not be justified based on utilisation are high standards, such as with health centers like BHU’s, many of which are becoming redundant due to the improved road connectivity. The RCSC will be discussing these with the relevant Ministries with a view to ensure that HR needs are tailored to real demand that will properly utilise them.

A major concern for the RCSC has been that most of the Acts governing various institutions prescribe specific positions as mandatory which, at times are not utilised fully but contributes to the unnecessary growth of civil servants. In fact, the sharp increase in the Civil Service size since 2008 is attributed mainly due to the proliferation of such positions emanating from new Acts. In the past, RCSC was generally not consulted during the creation of new Agencies even if it had manpower implications. This problem is now expected to be alleviated if the protocol for Agency creation is strictly followed as provided under the Agencification Framework which, in principle has been approved by the Government. However, proliferation of positions is also emanating from an “empire building” attitude and a compartmentalised mindset to work. Such an attitude has to be changed towards efficiency in operation and effectiveness of outputs and focusing on meeting the needs of citizens with a whole of Government outlook that is currently missing. Also, there is a need to enhance accountability for HR utilisation by making managers feel the financial implication of HR. At present, the HR budget is provided automatically based on the number of people and this has led to weak discipline in recruiting and utilising HR. It is important for all to realise that 46% of the recurrent budget is being utilised to meet the personnel costs. The lifecycle analysis of a civil servant shows the true cost of

human resources, and wastage through poor utilisation must be avoided or reduced. Therefore, going forward, it will be critical to bring HR under the instrument of budget control. Unless, this is done, Agencies will assume infinite supply of human resources without realisation of its financial implication and burden on the national exchequer. In order to make a beginning, RCSC is exploring ways to give block grant to the Agencies to avail the services presently provided by the ESP and GSP. Discussions are also underway with Agencies like *Thromdes* that are able to generate substantial revenues to meet a larger part of their personnel costs over whom they could be given “hire and fire” flexibility. This could provide flexibility to the Agencies in the recruitment of such personnel as well as create incentives to maximise the utilisation of human resources and their financial resources.

While RCSC is fully supportive of policies to enhance decentralisation, there is a need to recognise that if not planned properly, the growth of LGs (especially at the *Gewog* level) has the potential to lead to explosive growth in the size of the Civil Service. Decentralisation is certain to make maintaining a small, compact and efficient Civil Service extremely challenging. For instance, the decision of the Government to provide a utility vehicle each to the *Gewogs* means recruitment of 205 drivers that will cost the Government an additional Nu. 30.335 M per year. From the perspective of RCSC, decentralisation efforts must focus on *Dzongkhags* and going any further, must be preceded by and be contingent on the rationalisation of the number of *Gewogs*. To ensure that human resources are optimised even as we decentralise, it will be important to innovate new approaches. For instance, the RCSC is currently piloting shared services such as the ICT clusters in Gelephu *Thromde* and Monggar *Dzongkhag*, with a mandate to service all the Government Agencies (Regional Offices, *Thromdes*, hospitals, etc) in Gelephu and Monggar. A similar pilot to take the functions of RTIOs down to *Dzongkhags* is underway in Samtse and Trashigang.

In addition, the periodic HR audit, OD and staffing exercise are other measures to right-size the Civil Service. The use of technology to enhance productivity and Design Thinking capabilities are also ways to do more with less. The staffing requirements must be determined based on the mandates and SOPs & Turnaround Time (TATs) of the organisations. This should guide recruitment and provide the baseline based on which the RCSC can target an overall growth of the Civil Service that is equal to or less than the natural growth of population and separation of civil servants. Following the Government wide OD Exercise, based on SoP/TAT, for the purpose of forecasting the manpower requirement beyond 2020, the size of the Civil Service projected till 2020 is 29,835 (excluding drivers). This translates into an overall ratio of civil servants to the population at large (as of 2016) of 1:26. As long as there are no major changes in Government policies, the RCSC will work to maintain or improve this ratio.

### 6.3. Public Service Delivery

The Civil Service plays a critical role in the delivery of public services. In fact most of the public services are delivered through Civil Service in Bhutan. Therefore, every effort must be made to improve the quality of services on a continuous basis to meet and even exceed their expectations of the government and general public.

During the OD Exercise, a broad assessment of public service delivery was made in selective Ministries, *Dzongkhags* and Agencies by taking the feedback of key stakeholders and clients. The main findings from such surveys are as follows:

1. Most of the services are designed from the perspective of the providers and therefore do not always meet the expectations of the end users, for instance government services provided from Monday to Friday and 9 am – 5 pm reflecting the Government centric mindset to public service delivery;
2. Services are not systematically linked within and across Ministries, *Dzongkhags* and Agencies mainly due to compartmentalised way of functioning and incompatible systems and technologies in Agencies;
3. SOP/TAT are generally missing in most of the organisations with exception of selective G2C services;
4. Unnecessary processes and the absence of proper service standards is indirectly encouraging rent seeking behaviours among the service providers in critical areas;
5. Existing performance evaluation system do not always take into account the feedback of service recipients; and
6. G2C services are subject to the availability of reliable internet services which at times is difficult to be availed in the interior part of country due to lack of proper internet connectivity.

In order to address such service delivery issues, a number of initiatives are being undertaken by the Commission as follows:

1. Almost all service delivery issues are captured under C1 OD recommendations and therefore RCSC has provided all the support including creation of customer service desk in *Dzongkhags* and *Thromdes* and provision of required human resources. Further, Agencies are also advised to incorporate service delivery targets in their APTs;
2. The use of technology is encouraged to deliver key public services to minimize human bias and ensure transparency. Agencies are encouraged to tap the prospects presented by the rapid and deep mobile penetration especially, smart phones for enhancing service delivery;
3. A pool of DT experts have been created from the 220 civil servants who were trained in DT, as Design Thinking Master Trainers. The DT Competencies will provide new approach to deliver Government services by engaging citizens and promoting innovation in service delivery. The Commission encourages Agencies to use DT to re-engineer and improve services. The G2C Office and

RCSC are currently reviewing three services, namely Timber Permit, Passport Service and Doctor Appointment service, using the Design Thinking Master Trainers;

4. Agencies are encouraged to apply for membership to quality standard bodies eg. ISO9001;
5. Staffing requirement of Agencies is vetted through SOPs and TAT which requires Agencies to come up with their SOPs and TATs;
6. Training opportunities are provided to those staff dealing directly with the clients;
7. The new performance management system is designed to promote team spirit and higher accountability in the service delivery; and
8. Innovation and creativity officer are encouraged across the Agencies to improve service delivery on a continuous basis.

#### **6.4. Perception of Nepotism in Transfer and STT**

The transfers and STTs are decentralised HR functions to the Agencies. The Commission has been consistently emphasising on the need to promote transparency in HR actions through the institution of HR Committees in the Agencies. Despite this iteration to the Heads of Agencies, the perception of favoritism and nepotism is still reported in the annual reports of ACC and Corruption Perception report by Transparency International. This issue was also raised during the BCSR updation consultation conducted in May 2017.

The Commission is hopeful that the perception will improve with laying down of clear SOPs for HR actions in the updated BCSR, HR parenting framework, strengthening the role of HR officers and with implementation of mandatory competency based training in the career of civil servants. Further, transfers and STTs will be made more strategic and be complemented with frequent HR Audit. The Commission has also focused on strengthening the HR Committee. This should help to enhance transparency and equity in HR actions and reduce discretionary actions by individuals.

#### **6.5. Need for Competency Framework to Professionalise the Civil Service**

A key priority of the RCSC as the central personnel agency is HRD in line with the needs of organisations. Significant fund has been committed to the HRD in every FYP. While STTs are decentralised, sectors develop their long-term HR plans and submit to the RCSC for approval. However, many training programmes are not well aligned to the actual skill and competency requirements of the sectors and thus has not led to greater specialisation or professionalisation. The STTs in some cases are used as incentives rather than addressing the competency gap in performing one's roles and responsibilities.

To overcome this issue, the RCSC is in the process of developing broad Competency Framework that will guide sectors/Agencies in developing specific job related competency framework to ensure that the HR development are targeted to reduce the

competency gaps and improve productivity. The Commission will ensure that the 12<sup>th</sup> FYP HRD budget is tied to agreed competency frameworks to maximise the returns from HR investment. This should ensure a more systematic approach to capacity development of civil servants. In future, recruitment, selection and promotion of personnel should also be tied to the minimum competencies requirement of every position.

## ANNEXURE

## Annexure I: Division of Responsibilities of the Commissioners

Incharge	Autonomous Agencies	Dzongkhag & Thromde	Ministry	Legislative/ Constitutional	Bilateral Offers (all scholarships emanating from respective countries)	Regional/ Multilateral/ Other Scholarships
Karma Tshiteem						
	CSOA	Monggar	MoAF	National Assembly	Denmark (H), (H)	TCS-CP (L) (Regional)
	Dratshang Lhentshog	Pema Gatshel		ECB	Netherlands (H)	WIPI (L) (Multi)
Lhendup Wangchu	DDC	Samdrup Jongkhar	MoHCA		Germany (H)	Trongsa Penlop Scholarship (H) (other)
	NEC	Trashi Yangtse			Switzerland (M)	TOEFL/SAT/GRE (M)
	RPC	Trashigang			Cuba (L)	
		Lhuentse				
		S/jonkhar Thromde				
	BNLI	Dagana	MoLHR	RAA	Australia (H)	KOICA (H) (Reg.)
	CBS	Gasa	MoH	National Council	USA (H/L), AIMS (Philippines)- (M)	UN (L) (Multi)
Indraman Chhetri	DRA	Sarpang				CGI (Thailand) - (M) (Other)
	JDWNRH	Tsirang				Management Development courses (RIM) - (H)

Incharge	Autonomous Agencies	Dzongkhag & Thromde	Ministry	Legislative/ Constitutional	Bilateral Offers (all scholarships emanating from respective countries)	Regional/ Multilateral/ Other Scholarships
Karma Hamu Dorjee	RIM	Zhemgang				
	NLC	Gelephu Thromde				
	BICMA	Haa	MoEA	ACC	GOI (H) - covering all PTA project significant works	SAARC (H) (Reg.)
	BSB	Paro	MoIC			WTO (L) (Multi)
	CS	Punakha	MoWHS			Nehru Wangchuk (H) (Other)
	GNHC	Thimphu				
	NSB	Wangdue Phodrang				
	RIL	Thimphu Thromde				
Kesang Deki	BCSEA	Bumthang	MoE	Judiciary	Thailand covering TICA - LT & ST (H)	ITEC (M) (Reg.) ADB (M) (Multi)
	REC-DCRD	Chhukha	MoF		Japan covering Monbusho, IDEAS	TCS - Colombo Plan (M) (Others)- IAS, IFS, IRS, IA & AS
	BNCA	Samtse	MIFA		GRIPS	Royal Audience (H)
	BOC	Trongsa			Young Leader's Programme	
	NCWC	P/ling Thromde			Brunei (M)	
	OAG				Canada (L)	
	TCB					

**Annexures II: Civil Service Statistics**

<b>Compensation of Employees</b>	<b>2002-2003</b>	<b>2007-2008</b>	<b>2015-2016</b>
<b>Compensation of employees as share of total GDP</b>	<b>5.97%</b>	<b>6.26%</b>	<b>7.55%</b>

Compensation of employees as share of total GDP =  $\frac{\text{tot.annual salary paid to civil servants}}{\text{current GDP}} \times 100\%$

Total annual salary is computed as follows:

**Total annual salary paid to civil servants = pay & allowance + other personnel emoluments + provident fund**

*Note: All non-civil service Agencies such RBP, National Council & National Assembly (Parliamentarians), Supreme Court and High Court (Drangpons) were removed from the computation of compensation of employees in the Civil Service.*

**Year 2002-2003**

Total annual salary paid to civil servants = Nu.1,753,531,000

(Annual Financial Statement, 2002-2003)

Current GDP 2003 (National Accounts Statistics 1990-2004) = Nu. 29,386,000,000

$$= \frac{1,753,531,000}{29,386,000,000} \times 100\%$$

**=5.97%**

**Year 2007-2008**

Total annual salary paid to civil servants) = Nu.3,389,511,000

Current GDP 2008 (National Accounts Statistics 2012, NSB) = Nu. 54,150,000,000

$$= \frac{3,389,511,000}{54,150,000,000} \times 100\%$$

**=6.26%**

**Year 2015-2016**

Total annual salary paid to civil servants -2016 = Nu.9,971,529,000

Current GDP (National Accounts Statistics 2016, NSB) = Nu.132,021,300,000

$$= \frac{9,971,529,000}{132,021,300,000} \times 100\%$$

**=7.55%**

Compensation of Employees	2002-2003	2007-2008	2015-2016
Compensation of employees as share of total spending	17.63%	17.21%	22.31%

Compensation of employees as share of total spending =  $\frac{\text{tot. annual salary paid to CS}}{\text{total spendings}} \times 100\%$

**Year 2002-2003**

Total annual salary paid to civil servants = Nu. 1,753,531,000  
 Total spending -both current and capital spending = Nu. 9,945,319,000  
 (Annual Financial Statement 2002-03)

$$= \frac{1,753,531,000}{9,945,319,000} \times 100\%$$

**=17.63%**

**Year 2007-2008**

Total annual salary paid to civil servants = Nu. 3,389,511,000  
 Total spending -both current and capital spending = Nu. 19,693,029,000  
 (Annual Financial Statement 2007-08)

$$= \frac{3,389,511,000}{19,693,029,000} \times 100\%$$

**=17.21%**

**Year 2015-2016**

Tot. Annual salary paid to civil servants = Nu. 9,971,529,000  
 Total spending -both current and capital spending = Nu. 44,688,477,000  
 (Annual Financial Statement 2013-14)

$$= \frac{9,971,529,000}{44,688,477,000} \times 100\%$$

**=22.31%**

Compensation of Employees	2002-2003	2007-2008	2015-2016
Compensation of employees as share of domestic revenue	36.64%	27.45%	35.57%

Compensation of employees as share of domestic revenue =  $\frac{\text{tot. annual salary paid to CS}}{\text{total domestic revenue}} \times 100\%$

**Year 2002-2003**

Total annual salary paid to civil servants = Nu. 1,753,531,000  
 Total domestic revenue (Annual Financial Statement 2002-03) = Nu. 4,785,260,000

$$= \frac{1,753,531,000}{4,785,260,000} \times 100\%$$

**=36.64%**

**Year 2007-2008**

Total annual salary paid to civil servants = Nu. 3,389,511,000  
 Total domestic revenue  
 (Annual Financial Statement 2007-08) = Nu. 12,345,984,000

$$= \frac{3,389,511,000}{12,244,610,000} \times 100\%$$

**=27.45%**

**Year 2015-2016**

Tot. Annual salary paid to civil servants = Nu. 9,971,529,000  
 Total domestic revenue = Nu. 28,033,812,000  
 (Annual Financial Statement 30 June 2016)

$$= \frac{9,971,529,000}{28,033,812,000} \times 100\%$$

**=35.57%**

Employment	2002-2003	2007-2008	2015-2016
<b>Government employment as percentage of private sector employment</b>	<b>71.32%</b>	<b>NA</b>	

Govt. employment as percentage of Pvt. sector employment

$$= \frac{\text{tot. CS employment}}{\text{tot. pvt. sector employment}} \times 100\%$$
**Year 2002-2003**

Total Civil Service Employment-2003 = 15,129  
 (Civil Service Statistics 2003, RCSC)  
 Total private sector employment -2003 = 21,211  
 (Labour Force Survey 2003, MoLHR)

$$= \frac{15129}{21211} \times 100\%$$

**= 71.32%**

**Year 2007-2008**

Total Civil Service Employment-2008 = 19,848  
 (Civil Service Statistics 2008, RCSC)  
 Total private sector employment -2008 Labour force survey not conducted because of elections.

**Year 2015-2016**

Total Civil Service Employment (Civil Service Statistics 2016, RCSC) = 27,029  
 Total private sector employment (Labour Force Survey, 2016, MoLHR) =NA

Employment	2002-2003	2007-2008	2015-2016
<b>Government employment as percentage of total employment</b>	<b>6.78%</b>	<b>7.41%</b>	<b>NA</b>

Govt. employment as percentage of total employment =

$$\frac{tot. CS employment}{tot. employment} \times 100\%$$

**Year 2002-2003**

Total Civil Service Employment-2003 = 15,129  
 (Civil Service Statistics 2003, RCSC)  
 Total employment -2003 =223200  
 (Labor Force Survey Report 2003, MoLHR)  
 =  $\frac{15,129}{223200} \times 100\%$   
 = **6.78%**

**Year 2007-2008**

Total Civil Service Employment-2008 = 19,848  
 (Civil Service Statistics 2008, RCSC)  
 Total employment -2008 (Labour force survey not conducted because of elections.  
 Total employment for 2008 is estimated\* to: = 267,250  
 =  $\frac{19,848}{267,250} \times 100\%$  = **7.41%**

**\*Estimation of Total employment for 2008**

Total employment for 2007 (Labor Force Survey, 2007) = 222900  
 Total employment for 2009 (Labor Force Survey, 2009) =312800  
 Total employment for 2008  
 =  $\frac{Tot.Emp 2007+Tot.Emp 2009}{2}$   
 =  $\frac{222900+312800}{2}$

**Year 2015-2016**

Total Civil Service Employment (Civil Service Statistics 2016, RCSC) = 27,029  
 Total employment (Labor Force Survey Report, 2016, MoLHR) = NA

Employment	2002-2003	2007-2008	2015-2016
<b>Government employment as percentage of population</b>	<b>2.40%</b>	<b>2.25%</b>	<b>3.52%</b>

Govt. employment as percentage of total population =

$$\frac{\text{tot. CS employment}}{\text{tot. population}} \times 100\%$$

**Year 2002-2003**

Total Civil Service Employment-2003  
 (Civil Service Statistics 2003, RCSC)

= 15,129

Tot. Population for 2003 is estimated\* to:

= 618,580

$$= \frac{15,129}{618,580} \times 100$$

**\*Estimation of pop<sup>n</sup> for 2003**

Tot pop<sup>n</sup> as of 2005  
 (Population and Housing Census of Bhutan 2005)  
 Growth rate of pop<sup>n</sup> 2005

= 634,982

=1.3 %

The estimated pop<sup>n</sup> for 2004

$$= (634,982 - \frac{1.3}{100} \times 634,982)$$

The estimated pop<sup>n</sup> for 2003

$$= (626,727 - \frac{1.3}{100} \times 626,727)$$

**Year 2007-2008**

Total Civil Service Employment-2008  
 (Civil Service Statistics 2008, RCSC)  
 Total population -2008  
 (Pop<sup>n</sup> Projection of Bhutan 2005-2030, 2007, NSB)

= 19,848

= 671,083

$$= \frac{19,848}{671,083} \times 100\%$$

**Year 2015-2016**

Total Civil Service Employment  
 (Civil Service Statistics 2016, RCSC)  
 Total population – 2016  
 (Pop<sup>n</sup> projection of Bhutan 2005-2030, 2007, NSB)

= 27,029

= 768,577

$$= \frac{27,029}{768,577} \times 100\%$$

**=3.52%**

Wage Level	2015-2016
<b>Average government wage as a share of competitor private sector wages</b>	<b>224.83</b>

Avg. govt. wage as a share of competitor pvt.sector =  $\frac{\text{avg annual salary paid to CS}}{\text{avg.annual salary paid to pvt sector}} \times 100\%$

**Year 2015-2016**

Average annual salary paid to one civil servants = Nu. 338,960.6  
 Average annual salary paid to pvt. Sector employees (Annex I.a) = Nu.164, 104.17

$$= \frac{338,960.6}{164,104.17} \times 100\%$$

**=224.83%**

Wage Level	2002-2003	2007-2008	2015-2016
<b>Average government wage as a share per capita</b>	<b>298.20%</b>	<b>209.44%</b>	<b>194.36%</b>

Avg. govt. wage as a share per capita =  $\frac{\text{avg.annual salary paid to cs}}{\text{GDP per capita}} \times 100\%$

**Year 2002-2003**

Average annual salary paid to one civil servants = Nu. 115,905.28  
 GDP per capita (National Accounts Statistics 2014, NSB) = Nu. 38,868

$$= \frac{115,905.28}{38,868} \times 100\%$$

**=298.20%**

**Year 2007-2008**

Average annual salary paid to one civil servants = Nu. 170,773.43  
 GDP per capita (National Accounts Statistics 2014, NSB) = Nu. 81,539.49

$$= \frac{170,773.43}{81,539.49} \times 100\%$$

**=209.44%**

**Year 2015-2016**

Average annual salary paid to one civil servants = Nu.338,960.6  
 GDP per capita (National Accounts Statistics 2015, NSB) = Nu.174,400.66

$$= \frac{338,960.6}{174,400.66} \times 100\%$$

**=194.36%**

Wage Level	2002-2003	2007-2008	2015-2016
<b>Ratio of the highest government wage to the lowest (compression ratio)</b>	<b>6.89</b>	<b>6.74</b>	<b>6.42</b>

$$\text{Ratio of the highest govt. wage to the lowest} = \frac{\text{highest govt. wage}}{\text{lowest govt. wage}}$$

**Year 2002-2003**

Highest govt. wage (Min. EX1 salary) = Nu. 15,500

Lowest govt. wage (Min. O4 salary) = Nu. 2,250

$$= \frac{15,500}{2,250} = \underline{\underline{6.89}}$$

**Year 2007-2008**

Highest govt. wage (Min. EX1 salary) = Nu. 33,970

Lowest govt. wage (Min. O4 salary) = Nu. 5,040

$$= \frac{33,970}{5,040} = \underline{\underline{6.74}}$$

**Year 2015-2016**

Highest govt. wage (Min. EX1 salary (includes HRA)) = Nu. 65,490

Lowest govt. wage (Avg. O4 salary) = Nu. 10,205

$$= \frac{65,490}{10,205} = \underline{\underline{6.42}}$$

**Annexure I.a: Average Annual Salary Paid to Pvt. Sector Employees**

There are no information/reports on the private sector wages. Therefore, the private sector organization that represents the entire private sector in our country was recommended as Tashi Commercial Corporation by BCCI. The average annual salary paid to private sector employees is estimated as follows:

**Year 2015-2016**

Total number of employees in Tashi Commercial Corporation = 720<sup>1</sup> (as on June, 2017)

Total monthly wage paid to employees = 9,846,250<sup>2</sup>

Total annual wage paid to employees = 9,846,250 x 12

(Inclusive of all allowances) = 118,155,000

$$\text{Average annual salary for one pvt sector employee} = \frac{118,155,250}{720} = \text{Nu. } \underline{\underline{164,104.17}}$$

Source: <sup>1</sup> & <sup>2</sup> Karma Wangdi, Manager (Human Resources), Tashi Commercial Corporation, Head Office, P/ling via email on 3<sup>rd</sup> August, 2017

**Annexure III: Details of OD Recommendations and Status of Implementation**

Sl. No.	OD Recommendations submitted to Cabinet	Cabinet Directives	Category (Approved/ Not approved)	Implementation status
1	Establish National HydroMet Center (alongside snow & glacier division assuming the mandate of the Glaciology Division, DGM)- MoEA	Approved	Approved for implementation	Implemented
2	Creation of Department of Technical Education- MoLHR	Approved	Approved for implementation	Implemented
3	ICTM & Telecom Division to be established under DITT-MoIC	Reaffirmed	Approved for implementation	Implemented
4	MoIC as the Agency responsible for development of postal in the country and to place this mandate with DoIM- MoIC	Approved	Approved for implementation	Implemented
5	Department of Land Administration and Management- NLCS	Approved	Approved for implementation	Implemented
6	Department of Survey and Mapping- NLCS	Approved	Approved for implementation	Implemented
7	Approval to delink the BHTF- MoH	Approved	Approved for implementation	Implemented
8	Approval to separate the BMHC- MoH	Approved	Approved for implementation	Implemented
9	Formal approval of the Organisation Structure to work on staffing- JDWNRH	Approved	Approved for implementation	Implemented
10	Approval on the Autonomous Model for Service Delivery Agencies- JDWNRH	Approved	Approved for implementation	Progress (RCSC and JDWNRH is still under discussion)

Sl. No.	OD Recommendations submitted to Cabinet	Cabinet Directives	Category (Approved/ Not approved)	Implementation status
11	Creation of Department of Macroeconomic Affairs (DMEA)- MoF	Approved	Approved for implementation	Implemented
12	Delinking of Duty Free Shop (DFS) from DRC- MoF	Approved	Approved for implementation	Implemented
13	CDB to be delinked from MoWHS as autonomous regulatory body- MoWHS	Approved (study the need for a law)	Approved for implementation	Implemented
14	Creation of Directorate of Services in Ministries	Approved across all Ministries	Approved for implementation	Progress (Implemented in seven Ministries of MoAF, MoEA, MoF, MoHCA, MoH and MoWHS and in rest of the three Ministries of MoFA, MoE and MoIC will be implemented in FY 2017-18)
15	Dissolution of CoRRB and establishment of Research and Extension Divisions under DoA and DoL	Approved	Approved for implementation	Implemented
16	Renaming Bureau of Law and Order to Department of Law and Order- MoHCA	Approved	Approved for implementation	Implemented
17	Directives on the two issues on mandates- LG	Discuss with MoHCA/Cabinet	Further review	The RCSC has submitted the recommendation to the Cabinet and is awaiting its approval
	<i>i.Coordination issue between Dzongkhag Administration and Royal Bhutan Police</i> <i>ii.Coordination between Dzongkhags, Central Agencies, Regional Offices, Dzongkhag Tshogdue, Gewog Tshogde, and Thromde Tshogde</i>			

Sl. No.	OD Recommendations submitted to Cabinet	Cabinet Directives	Category (Approved/ Not approved)	Implementation status
18	Endorsement of Common Framework LG	Endorsed	Further review	As per the directives of the Cabinet, the RCSC sought the feedback from MoHCA and MoWHS and resubmitted the recommendations to the Cabinet and is awaiting its approval for implementation
19	Merge DoI & DCSI- MoEA	Not approved	Not Approved	
20	Creation of National HRD Council- MoLHR	Not Approved (existing DHR to undertake the roles proposed for National HRD Council)	Not Approved	
21	Creation of Department of Employment and Human Resources- MoLHR	Not Approved	Not Approved	
22	Name Change for Department of National Properties (DNP)- MoF	Not Approved	Not Approved	
23	Merger of Regulatory Functions of NEC and DoFPS and establishing National Environment Authority- NEC & MoAF	Not approved	Not Approved	
24	Dissolution of DAMC and Creation of Marketing Divisions under DoA and DOL- MoAF	Not approved	Not Approved	

Sl. No.	OD Recommendations submitted to Cabinet	Cabinet Directives	Category (Approved/ Not approved)	Implementation status
25	Delinking of BAFRA from MoAF	Not approved	Not Approved	OD Exercise in BAFRA has been completed and delinking proposal will be submitted to the Cabinet
26	Creation of National Biodiversity Center as a National Center- MoAF	Not approved	Not Approved	
27	Separate Department of Culture as National Commission for Cultural Affairs- MoHCA	Not approved	Not Approved	
28	Approval for Placement of Creative Arts Mandate under Public Communication Division- MoIC	RCSC to submit this recommendation to the Cabinet. It has not been submitted earlier	Further Review	Progress (RCSC will review and submit proposal to the Cabinet)
29	Directives on the PHED- MoH	MoH to write separately to the RCSC	Further Review	Progress (RCSC has not received any proposal from MoH)
30	Approval to Separate the PHL- MoH	MoH to write separately to the RCSC	Further Review	
31	Approval to Corporatise the MSP- MoH	Approved (subject to admissibility under existing laws)	Approved	The Cabinet has already approved the corporatization and MoH is initiating the implementation

Sl. No.	OD Recommendations submitted to Cabinet	Cabinet Directives	Category (Approved/ Not approved)	Implementation status
32	Approval of Incentive for HoCDs- JDWNRH	Revisit with MoF and review financial implications	Further Review	MoF and JDWNRH is reviewing the financial incentives
33	Compensation for Nurse Off-Days- JDWNRH	Revisit with MoF and review financial implications	Further Review	
34	Transfer of Rural Water Supply and Sanitation Mandate from MoH to MoWHS	MoWHS to submit a separate proposal for establishing a department	Further Review	Progress (It will be studied along with creation of Water Commission)
35	Change the Composition of the Council Members-TCB	TCB to review and resubmit	Further Review	RCSC has conveyed Cabinet decision to the TCB to further review the composition of the Council members
36	Approval of SOP for Agencification Framework- (General)	Cabinet Secretariat to form a Task Force and submit the legal implications	Further Review	Taskforce chaired by Attorney General has submitted its finding to the Cabinet and awaiting directives for implementation

Sl. No.	OD Recommendations submitted to Cabinet	Cabinet Directives	Category (Approved/ Not approved)	Implementation status
37	Formation of Bhutan Qualifications Authority (BQA) by delinking DOS-MoLHR and QAAD-MoE	Approved in principle	Approved with Act in place	Implementation is subject to approval of the Act by the Parliament. QAAD, DAHE under MoE and DOS, MoLHR is working on Draft Bill
38	Renaming RSTA- MoIC as Department of Surface Transport and placing it under MoWHS- MoIC	Renaming approved. Placement of RSTA under MoWHS approved after amending RSTA Act	Approved when Act is revised	The implementation of recommendation is subject to amendment of the existing act. It is being submitted to OAG for necessary action.
39	Move the Mining Regulatory Function out of the Ministry- MoEA	Approved	Approved when MMMA 1995 is revised	
40	Restructure the Ministry (MoTIE & MoEM) and Transfer of DoT, IPD, DoI, DCSI and OCP from MoEA to MoLHR-MoEA	Approved for implementation in 12 <sup>th</sup> FYP (no directives on renaming)	Approved for 12 <sup>th</sup> FYP	It will be implemented in 12 <sup>th</sup> FYP

**Annexure IV: List of BCSR Amendment Notifications**

1. Notification on *Kabney and Patang*
2. Notification on Amendment to Section 13.8.3.1 of Chapter 13 on Promotion in BCSR 2012 on the Minimum Performance Evaluation Rating required for Promotion.
3. Notification on Amendment to BCSR 2012 on the Requirement of “Cooling-off Period” for any form of Employment (regular and contract) in Civil Service from 3 years to 1 year.
4. Notification on Civil Servants’ Welfare Scheme Membership
5. Notification on CSWS Membership Freeze
6. Notification on one Month Time Extension for Non-respondent Civil Servants to CSWS Membership
7. Notification on Civil Servants’ Welfare Scheme Fund Contribution.
8. Notification on Operationsing Decentralized Promotions from July 2015
9. Notification on Declaration of Conflict of Interest
10. Notification on the Position of Dzongda
11. Notification on Promotion for P1 Positions for Dzongrab and Drungpa
12. Notification on Amendment of BCSR 2012 pertaining to Fast-track Promotion
13. Notification on Temporary Freeze Recruitment and Appointment of Division Chiefs and other Appointment in the P1 Position
14. Notification to carry out a thorough OD Exercise
15. Notification on Amendment of BCSR pertaining to In-service Bachelor’s Degree
16. Notification on Post Training Monitoring System of Civil Servants pursuing LTT
17. Notification on Marking System for Interview
18. Notification on Initiating a nationwide Information Correction Exercise across all Civil Service Agencies
19. Notification on Extension of Invitation to Superannuated Civil Servants for National Events
20. Notification on CSWS Contribution for those Promoted or Remapped to SS Position Levels
21. Notification on Amendment to Sections of BCSR 2012 as per Doctor’s Career Path Reform
22. Notification on CSWS Accounts Number
23. Notification on Amendment of Section 16.6.6 of the BCSR 2012
24. Notification on DSA
25. Notification on Recruitment of Drivers
26. Notification on Single Window Recruitment
27. Notification on Lateral Transfer of Civil Servants in P2 and below
28. Notification on Promotion from LTS
29. Notification on Redeployment of Exercise
30. Notification on Vacancy of Chief (P1) Position only
31. Notification on PMS across the Civil Servants
32. Notification on Amendment to BCSR pertaining to Placement and Appointment of PGD Candidates

33. Notification on BCSC Reform (Career Progression) and Amendments to BCSR 2012
34. Notification on Preparatory Leave
35. Notification on Amendment to Sections 10.2.4 of BCSR 2012 pertaining to Maternity and Paternity Leave
36. Notification on Recruitment
37. Notification on Revised Notification on Doctors' Career Path Reform
38. Notification on CSWS Roll Out
39. Notification on Amendment of Section 16.6.6 of the BCSR 2012
40. Notification on Signatory Authority for CSWS
41. Notification on Information for the CSWS Members
42. Notification on Specialist Utilization
43. Notification on Supper Structure
44. Notification on Update PE Rating on CSIS
45. Notification Reminding to all Civil Servants to Verify and Complete their CV Assurance
46. Notification on Voluntary Membership to CSWS.