



SUPPORTING
AN ENABLING ENVIRONMENT
FOR CIVIL SOCIETY

Enabling Environment Snapshot Bhutan June 2025

Context

Bhutan transitioned from an absolute Monarchy to a parliamentary democracy in 2008. Since then, there have been four multiparty elections, the most recent one being in 2024 which brought into power a political party that has experiences both in ruling and opposition roles. The general elections have seen peaceful transitions of power, with no reported electoral violence, although there have been [hints of regionalism in voting trends](#) which has raised concerns among the general population of the social implications in a small society of divisions arising along regional lines. A [written constitution](#) was adopted in 2008 as part of transitioning into a democracy which clearly states the importance of civil society; however, civil society in general and CSOs face challenges of recognition and support. Efforts to maintain and strengthen the democratic consolidation process continue. A recent example is [efforts by the Economic and Finance Committee and the Good Governance Committee of the National Assembly](#) of Bhutan to prepare for conducting Public Hearings with civil society on the government's Economic Stimulus Program and on general Public Service Delivery to citizens. Public hearings are a relatively new concept in the country and is expected to provide a platform for public participation in decision making processes.

So far, Bhutan has [ratified 3 international human rights treaties](#) and 2 optional protocols, and [there are calls](#) to ratify other core international human rights treaties including the International Covenant on Civil and Political Rights. On gender, the country faces high prevalence of [gender-based violence](#) and an overall low representation of women in decision-making (e.g, women's representation in Parliament has hit a record low at 6.9%). Other current challenges include the unprecedented rate of economic migration of Bhutan's skilled workforce, [dubbed an existential threat](#) by the Prime Minister, and the linked inability of the economy to create decent employment opportunities for youth.

1. Respect and protection of fundamental freedoms

In Bhutan, civic freedoms such as freedom of association, expression and peaceful assembly are protected by [Article 7 of the constitution](#) and are generally respected. Defamation and libel are criminal offences under articles 317 and 320 of the [Penal Code](#) and carry a punishment of fines and a maximum of three years of imprisonment. Bhutan has shown stable, mid-range performance across the four categories (Representation, Rights, Rule of Law, Participation) of the [Global State of Democracy framework](#). However, a more nuanced look shows that Participation (that pertains to civic engagement, civil society, electoral participation) [has dropped 6 places in 2024](#). Civic space in Bhutan is rated as obstructed by [CIVICUS](#). The [Freedom House](#) report released in February 2025 ranks Bhutan as free (68/100), an improvement from 'partly free' in the [previous year](#), and identifies free and fair legislative elections, consolidation of a long democratic reform process, and steady improvements in physical security and the environment for civil liberties as reasons for this change in status.

In 2023, the [dissolution](#) of a network of CSOs (Bhutan Civil Society Network) was a blow to progress made in increasing collaborative voice and action among civil society actors. The non-registered nature of the network and its role in mobilising and representing CSOs were the grounds for the decision to dissolve by the State; on their part, network members believe that registering the network would compromise its independence and its representational and advocacy objectives. The dissolution is a [constraint](#) on association among CSOs and is an indicator of shrinking space for engaging in policy dialogue and advocacy, which such networks facilitate.

There are positive [examples of media-CSOs engagement](#) for advocacy. However, the media in general suffers from financial sustainability issues, challenges in accessing information, and self-censorship which have together resulted in the country falling from 90th in 2023 to 152nd place in 2025 on the [World Press Freedom Index](#).

2. Supportive legal framework for the work of civil society actors

Bhutan transitioned into a democracy in 2008; a precursor was the passing of the [CSO Act](#) in 2007 which enabled CSOs to register and become legal entities. Since then, there have been robust developments in the numbers and diversity of engagement areas by CSOs. However, [amendments made in 2022](#) increased the number of government representatives in the Authority that regulates CSOs (from 3 to 5) while the number of seats for CSOs remained unchanged (at 2). The repercussions of rendering CSOs a clear minority in this body remain to be seen. Another regulatory change for all registered CSOs is the requirement for a category of CSOs (public benefit organisations) to secure an amount equivalent to EURO 34,000 and another category (mutual benefit organisations) to secure EURO 17,000 as endowment funds; additionally, amounts equivalent to EURO 11,300 and EURO 5,650 respectively for the two categories of CSOs are to be secured as operational fund reserve. This is as per [section 16 of the CSO Act](#) (Amendment) of Bhutan 2022. This is a significant amount to raise and hold as reserve, especially for smaller CSOs. As of August 2024, the Authority has granted a [time extension](#) to accumulate the endowment fund over four and three years respectively for the two categories of CSOs. While the Authority does not intend to deregister CSOs not meeting this requirement, it is expected to adversely affect their annual grading as per the Authority's CSO Accountability Standards.

In addition, the requirement in the CSO Rules and Regulations 2017, clause 101, mandating the annual renewal of registration certificates is an administrative burden while increasing uncertainty around CSOs and could affect sourcing long-term donors, although requirements for renewal (annual report, fee) are straightforward. CSOs' advocacy efforts to extend the duration of registration certificates to three years have not been successful so far, e.g. during [discussions to amend the CSO Act](#) and at the [2023 Authority-CSO meeting](#). On 6 January 2025, a CSO [voluntarily dissolved](#). This brings the number of CSOs who chose to dissolve to 3 since 2022, thereby reducing the number from 54 in 2022 to 51 CSOs in March 2025. Reasons for their dissolution are not clear, and could be attributed to a combination of financial sustainability challenges and growing administrative requirements. In addition, 3 CSOs [have not renewed](#) their certificate of registration, including a CSO that works in the area of protecting the rights of highly vulnerable children and youth in conflict with the law. Late renewal carries a penalty while non-renewal for an extended period can be [grounds for cancellation of the certificate of registration](#).

Bhutan has also ratified CEDAW (1981) and CRC (1990) and established an autonomous National Commission for Women and Children with a Secretariat as the national entity overseeing the protection of the rights of women and children. The Secretariat is now reduced to a small division, raising concerns among CSOs and gender equality advocates.

3. Accessible and sustainable resources

Funding for civil society actors is largely from international donors and foundations and therefore a cause for concern for the overall sustainability of CSOs. Local financial contributions are made [mainly for religious causes](#) rather than social and development causes, and Corporate Social Responsibility is a potential source that has not been leveraged enough. In 2024, the CSO Authority Secretariat took the positive initiative of allowing CSOs to run social enterprises, which offers another potential source that could help sustain CSO work. The impact of this on enhancing sustainable resources for CSOs remains to be seen. In a surprising but welcome move, the [government announced](#) in December 2024, an amount equivalent to EURO 3.37 million to support CSOs. Although the

support is specifically for CSOs delivering social mandates such as those working on health, education, and service delivery, it is seen as potentially leading to greater government-CSOs support and collaboration. After an [initial invitation to only 23 CSOs](#), the [CSO Summit](#) held on 6th and 7th February, 2025, enabled CSOs to request for greater transparency and clarity on accessing the fund and to open up the fund to all interested CSOs; this led to a [call for proposals](#) being openly announced on 12th February, 2025. The call is restricted to proposals on social development, potentially leaving out CSOs working on advocacy, civic engagement, media, or transparency.

So far, there are no specific laws regarding foreign funding; however, the CSO Act requires CSOs to make full disclosure of financial information, including sources of funding, and CSOs are to produce [annual audited reports](#) as a requirement to renew their registration certificates.

4. State openness and responsiveness

Interactions between the State and CSOs tend to be ad-hoc and often in invited spaces with selective CSOs and with no follow-up on feedback provided. In 2024 and 2025, there have been demonstrated intentions (e.g. [Parliament-CSO Collaboration strategy](#); guideline for Government-CSO collaboration under finalisation) to more regularly organise and structure such interactions. Increasing instances are observed of policy makers consulting CSOs on national policies and international commitments related to [women](#), [Persons with Disabilities](#), and the [Universal Periodic Review national Report](#) (22 CSOs consulted for the UPR report). Annual meetings, the most [recent one being in December 2024](#), between the government and CSOs have been taking place on an ad-hoc basis and based on availability of funding since 2016; from 2022 onwards, CSO interactions with the state are observed to have become more regular and has expanded to include Members of Parliament, providing greater opportunities for policy dialogues. Recent interactions in January and February 2025 include [quarterly meetings and CSO Summit](#), [platforms](#), [acknowledgement of CSO support](#).

To make strategic use of these avenues, greater attention is needed to establish a level playing field in the format of interactions, agenda setting mechanism, and feedback loop. For now, it is a significant milestone to have invited spaces and strategies for collaboration developed. On their part, CSOs have established thematic groups and hold quarterly meetings among themselves, which help to fill the vacuum left by the dissolution of the CSO Network.

5. Political Culture and Public Discourses on Civil Society

The role of civil society mostly recognised, and publicly appreciated (in public speeches, reports, in the recent announced allocation of funds for CSOs with social mandates), are charitable entities that [complement and supplement government efforts](#) to deliver social services to vulnerable groups. In parallel, there is a growing [self-censorship attitude](#) towards advocacy issues among CSOs coupled by a public [perception](#) of CSOs in Bhutan as self-serving, not transparent, donor driven, promoters of disharmony, and too many entities. This not only erodes their legitimacy in the constituencies they ought to serve but leads to [political discourses](#) that aim to caution and restrict the functioning of CSOs. A pervasive concern among decision-makers is that the rapid growth of CSOs has opened the door to multiple issues. [Concerns from the government](#), although not substantiated, include rise of self-serving and corrupt organisations, groups engaging in unauthorised fundraising (e.g. public collections and door-to-door fund raising must be authorized by the CSO Authority), and vulnerability of CSOs to risks of money laundering, terrorism financing, and other activities prohibited under the Anti-Money Laundering and Countering of Financing of Terrorism

Act 2018. This sense of caution is seen in the [often repeated misconception that there are too many CSOs](#), and in requirements such as the need to submit [15 different documents](#) when applying for registration. Registration requirements include the applicant's written CSO's code of ethics, income/asset/liability declaration of the founder, and security clearance certificates of applicants and first trustees.

The rights and welfare of vulnerable women (e.g. survivors of domestic violence), the LGBTQI community, Persons with Disabilities, people living with HIV and AIDS, disadvantaged children and youth, and animal welfare have been consistently highlighted by CSOs. These are areas where civil society efforts are commended. Beyond social welfare topics, civil society engagement in the exercise of civic rights and duties in a democracy [sees limited scope](#) and their [participation in policy issues and democratic governance are not really acknowledged](#).

6. Access to Secure Digital Environment

Bhutan has a strong focus on strengthening its digital environment but is faced with [various challenges](#) such as low digital literacy, low abilities to adapt to emerging technologies, inadequate ICT infrastructure, and weak cyber security. Low digital literacy is cited as a reason for its [low score on the digital citizen engagement index](#). To combat these challenges, the government's GovTech Agency [plans digital literacy and skills development programmes](#) by training over 400,000 citizens on the safe use of online services including Artificial Intelligence (AI), online banking, and social media platforms, among others. Internet penetration and digital connectivity is expanding rapidly which is both [welcomed and is raising concerns](#) about cybersecurity, data protection and risks such as AI potentially exacerbating inequalities especially for underrepresented populations.

Since 2024, several CSOs have benefited from the use of crowdfunding digital platforms (e.g. Bhutan Crowdfunding) to raise funds and facilitate donations. CSOs also have a strong social media presence to promote their work, campaign, and interact with the public. Almost all CSOs maintain a website on which they generally share their bank account details to seek financial contributions. So far, there have not been reports of online surveillance on CSOs, and intimidation and attacks. On their part, it is likely that CSOs self-censor and self-regulate their online content. For journalists too, self-censorship results in focusing on non-controversial topics. While journalists generally feel safe and believe that the constitution and other media rules protect their rights, [journalists report](#) facing online intimidation, digital hacking, and social media trolling.

Challenges and Opportunities

Implications of some of the 2022 amendments to the CSO Act, such as the increase in number of government representatives on the CSO Authority, risk constraining the overall enabling environment for civil society. Increasing frequency of Government-CSOs interactions is a positive development. The new funding avenue that has opened up for CSOs is an opportunity that could enable selected CSOs to scale up their work significantly and strengthen their visibility. At the same time, the criteria (social development, active certificate of registration) could reinforce the role of CSOs as charitable organisations complementing and supplementing the government, and reduce the significance of their role

in advocacy, accountability, and promoting democratic civic engagement. The EU, the largest and most consistent donor for CSO development in the country, supports the strengthening of the diverse roles that CSOs play in a democracy through 5 ongoing projects with INGOs and NGOs exclusively focusing on strengthening CSOs and their collaboration with the State and the private sector, including the Parliament, and with the UN on strengthening inclusive access to justice. These multiple projects present opportunities to leverage on for policy dialogues.

The general cautious approach towards CSOs that finds expression in requirements placed on CSOs (e.g. annual renewal of registration certificate which is further dependent on submission of various reports), the long and slow registration process (since December 2023, there has not been any new registration of CSOs), and the ongoing demand on CSOs to accumulate the endowment funds within the deadline provided remain challenges.

The fourth national report to the UN Human Rights Council under the Universal Periodic Review (UPR) mechanism on 6th November 2024 opens up space for dialogues on civil society as it places certain responsibility on the state to respond to feedback. The Government-CSO guideline is under finalization and offers opportunities to institutionalize regular interactions. Bhutan ratified the Convention on PWDs in March 2024, which could mean collaboration and resource sharing between the State and civil society (CSOs have nuanced experiences).

This publication was funded/co-funded by the European Union. Its contents are the sole responsibility of the author and do not necessarily reflect the views of the European Union

