

PARLIAMENT OF BHUTAN



**PROCEEDINGS AND RESOLUTIONS (TRANSLATED) OF THE TWENTY-SECOND SESSION
OF THE NATIONAL COUNCIL OF BHUTAN**

(29th Day of the 11th Month to 18th Day of the 12th Month of the Earth Male Dog Year
Corresponding to 4th January to 23rd January 2019)

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Proceedings and Resolutions (Translated) of the 22nd Session of the National Council of Bhutan

(Friday, 4th January 2019 corresponding to the 29th Day of the 11th Month of Earth Male Dog Year of the Bhutanese Calendar)

A. Proceedings for the Opening Ceremony

The 22nd session of the National Council of Bhutan commenced on 4th January 2019 corresponding to the 29th Day of the 11th Month of Earth Male Dog Year of the of the Bhutanese Calendar with traditional *Marchhang Tendrel* ceremony presided over by the Hon'ble Chairperson.

B. Opening Address of the Hon'ble Chairperson

The Chairperson expressed his appreciation to the Hon'ble Health Minister, High Dignitaries and Gewog Tshogde Chairpersons for gracing the opening ceremony of the 22nd session of the National Council. He also welcomed the Hon'ble members of the National Council, the Secretariat staff, media and all the people of twenty dzongkhags who are following on television and radio to the opening ceremony.

The Chairperson said that Bhutan have always enjoyed peace and prosperity and continues to exist as a gross national happiness country mainly due to the immense sacrifices made by the Wangchuck Dynasty in building this precious nation. He said that we are forever grateful to them. Moreover, on behalf of all the Bhutanese people, he offered his deepest gratitude to His Majesty the Druk Gyalpo for his extraordinary services in strengthening the peace, security and sovereignty of the nation under his visionary leadership.

He said the selfless deeds of His Majesty the Druk Gyalpo are unimaginable and that he cannot speak of it entirely. But most importantly, he emphasized that His Majesty the Druk Gyalpo is the true patron of democracy in the country. This is because, after the introduction of democracy in the country and with the conduct of elections, there is always a risk of people losing focus of long-term objectives in the pursuit of current benefits. Further, influence of politics on the people also poses risk in the decline of the exceptional traditional qualities like fidelity and karma that exist between our people. Despite such risks, His Majesty the Druk Gyalpo has always represented as the symbol of strength and unity of the nation and people of Bhutan and a true patron of democracy in the country. As a result, peace and happiness have prevailed in the country more than ever before. Therefore, on behalf of all the people of Bhutan, the Chairperson expressed his heartfelt appreciation to His Majesty the Druk Gyalpo.

Similarly, the Chairperson said that His Majesty The Fourth Druk Gyalpo, Jigme Singye Wangchuck had carried out many deeds well-known across the world, and in particular, promulgated the development philosophy of Gross National Happiness in the country and ushered in great political transformation with the gradual process of decentralization culminating in the transition of the country to a parliamentary democracy. Moreover, even after abdicating the Golden Throne, His Majesty The Fourth Druk Gyalpo continues to be deeply concerned about the welfare of the people and the country day and night. For these reasons, the Chairperson expressed the debt of infinite gratitude to His Majesty

The Fourth Druk Gyalpo on behalf of the Bhutanese people. He also offered heartfelt prayer for His Majesty's long life, good health and prosperity of deeds.

The Chairperson also expressed appreciation and gratitude to His Holiness the Je Khenpo Trulku Jigme Choedra and the monastic body for performing numerous religious programs for the promotion of Buddha Dharma and sustaining peace and harmony in the country. The Chairperson on behalf of the people of Bhutan and on behalf the National Council conveyed heartiest congratulations to His Holiness the Je Khenpo for receiving the Highest Civilian Decoration, the 'Nga Dag Pal Gyi Khorlo' from His Majesty the King during the 111th National Day in recognition of his lifetime of service to the nation. Further, the Chairperson offered prayers for long life, prosperity of deeds and continued extraordinary spiritual guidance and blessings of His Holiness the Je Khenpo.

He also congratulated the Election Commission of Bhutan and the four media reporters of the Bhutan Broadcasting Service for receiving the institutional Druk Thuksey Award and National Order of Merit (silver) medals respectively from His Majesty the King during the 111th National Day in recognition of the successful conduct of both the Parliamentary and Local Government elections.

The Chairperson extended his appreciation to the four political parties of Bhutan Kuen-Nyam Party, Druk Nyamrup Tshogpa, Druk Phuensum Tshogpa and Peoples Democratic Party which contested in the primary round of the National Assembly elections. He congratulated the Druk Nyamrup Tshogpa for forming the government and the Druk Phuensum Tshogpa as the opposition after the general round of election. Furthermore, he hoped that the members of the Third National Assembly will be mindful of the immediate and long-term welfare of the people and country and serve to the best of their ability in fulfilling the national objectives.

Reflecting on His Majesty's address during the 111th National Day that called upon the capable public servants to shoulder the responsibilities and to render their unstinted support in ensuring continuity in pursuit of our timeless national goals and objectives, the Chairperson conveyed his best wishes to the public servants to perform their tasks with greater efficiency and effectiveness. In addition, he said that the National Council will also shoulder its responsibilities effectively and efficiently in order to fulfill the aspiration of His Majesty the Druk Gyalpo by upholding the wise advice and guidance received from His Majesty the Druk Gyalpo. The Chairperson also informed that the current National Council had conducted a three-day retreat workshop to develop a strategic roadmap for the next five years after the conclusion of the 21st session of National Council. Based on the priority, the workshop indentified about 36 important issues in total for the National Council to review in the next 5 years of its tenure. He said that all the issues are also distributed to the Committees of the National Council. He informed that an Interim report on Review of Harmful Use of Alcohol in the Country and an Interim report on Technical and Vocational Education and Training (TVET) will be presented during the current 22nd Session of the National Council.

The Chairperson informed that the agenda of the 22nd Session of the National Council will include most importantly the deliberation and adoption of the 12th Five Year Plan and the Budget Appropriation Bill for Financial Year 2018-19. He also informed that the Joint Sitting of the Parliament will deliberate on the Annual Audit Report 2017 and Review Report on the Annual Audit Reports 2010-2016 presented by the Public Accounts Committee.

In conclusion, the Chairperson offered prayers for the successful completion of the 22nd Session of the National Council without any obstacles with the blessings of the Triple Gem and the protection of our Guardian Deities, the profound advice and guidance of His Majesty the Druk Gyalpo and the prayers of His Holiness the Je Khenpo and the Clergy.

C. Implementation Report on the Resolutions of the 21st Session of the National Council

The National Council during its 21st Session had deliberated on the Annual Anti-Corruption Commission Report 2017 and adopted two recommendations. The first recommendation was submitted to the government and the Ministry of Finance and the second recommendation was submitted to the Anti-Corruption Commission itself for implementation. The Deputy Chairperson of the National Council reported the response received from the Ministry of Finance on the first recommendation to the House.

The Deputy Chairperson said that as per the recommendation, it was submitted that the government shall ensure that adequate financial resources are allocated to the ACC for its effective and efficient functioning. To this, the Ministry of Finance in their response had submitted that as per the MoF Report, during the 11th FYP, 6% of the total budget provided to the ACC was not utilized which indicates that ACC could carry out all their activities as per its mandates. Similarly, with regard to the recommendation to the ACC, it was reported that the ACC will clearly reflect in its Annual Report which will be submitted during the summer session. The National Council resolved to acknowledge the responses received on the recommendations from the relevant agencies.

(Wednesday, 16th January 2019 corresponding to the 10th Day of the 12th Month of Earth Male Dog Year of the Bhutanese Calendar)

D. Legislative Issues

1. Introduction of the Budget Appropriation Bill for the Financial Year 2018-19

The Member-In-Charge of the Budget Appropriation Bill, the Hon'ble Finance Minister said that the Budget Appropriation Act for Financial Year 2018-19 was passed by the 11th Session of the 2nd Parliament with current budget for the entire fiscal year and capital budget for only past six months (1st July-31st December). He said that the government has reviewed the capital budget for next six months (1st January-30th June, 2019) which was not passed by the Parliament. It was then submitted to National Assembly and passed by the National Assembly. The Hon'ble Finance Minister submitted a motion to introduce the Budget Appropriation Bill for consideration by the National Council.

He reported that the budget appropriation (Capital) for the Period 1st January – 30th June, 2019 is estimated at Nu. 11,380.192 million excluding the current expenditure. Of the total allocation Nu. 10,666.848 million is for capital expenditure and Nu. 713.344 million for loan repayment and lending. Based on the 12th FYP priorities, Ministries will receive the highest allocation followed by Local Governments, Constitutional Bodies and the Autonomous Agencies. He said that the budget has been formulated based on the resource envelop as determined by Macroeconomic Framework Coordination Committee (MFCC); approved 12th FYP outlay; implementation capacity of the budgetary bodies;

donor commitment and maintaining fiscal deficit below 3% of Gross Domestic Product (GDP).

Similarly, he reported that the total budget appropriation for FY 2018-19 is estimated at Nu. 47,698.129 million. This includes budget of Nu. 36,317.937 million passed by the 11th Session of the 2nd Parliament and capital budget of Nu. 11,380.192 million allocated for the period Jan- Jun 2019. The total budget appropriation for FY 2018-19 accounts for about 15.5% of the total outlay of the 12 FYP. The total expenditure for FY is estimated at Nu. 45,128.177 million of which Nu. 33,943.967 million is estimated from domestic revenue and Nu. 5,929.886 million is estimated from external grants. He submitted that the fiscal deficit for the FY 2018-19 will be financed through borrowings from external and domestic sources.

Along with that, the Hon'ble Finance Minister reported that the total outlay for the 12th FYP is estimated at Nu. 310,016.072 million of which the current expenditure is estimated at Nu. 193,895.344 million and the capital expenditure is estimated at Nu. 116,120.728 million which is an increase of about 6 % compared to the 11th FYP. He said that the total resource for the 12th FYP is estimated at Nu. 280,772.642 million of which the total domestic revenue for the 12th FYP is projected at Nu. 217,728.299 million and total grants is estimated at Nu. 63,044.34 million. The estimated fiscal deficit in the 12th FYP is Nu. 29,234.429 million which shall be financed through net external borrowing of Nu. 4,074.207 million and net domestic borrowing of Nu. 25,059.431 million.

Likewise, he reported that the total public debt as of 30th September 2018 was Nu. 182,674.920 million of which comprised of external debt of Nu. 175,127.470 million and domestic debt of Nu. 7,547.450 million. Also, he said that the total public debt is projected to be Nu. 249,232.38 million by the end of 12th FYP and major part of the public debt will be external debt disbursed for the development of hydropower projects.

With regard to Macroeconomic outlook, he reported that in the Real Sector, over the past decade, the economy grew at an average growth rate of 7 % which was supported by high investments in hydropower sector, increased electricity export earnings, expansion in service industry particularly in tourism sector and the public sector. Similarly, he reported that the overall Consumer Price Index (CPI) inflation in FY 2017-18 was 3.9%. He also reported that youth unemployment increased to 13.2% in 2016 and that the Agriculture Sector continues to be the major employment provider in the economy.

He said that the FY 2018-19 is a special year as two Budget Reports are presented in the same fiscal year by two different Governments. Despite the unique situation, he said that the government is committed and will ensure that the approved budget is optimally used to lay the foundation towards fulfilling the wishes and aspirations of the people in reducing the income inequality and **Narrowing the Gap**. More importantly, His Majesty the Druk Gyalpo's address to the nation during the 111th National Day highlighted that *"As a developing country, we have limited resources. We must manage our available resources wisely, minimize waste and ensure that all our resources are directed at improving the wellbeing of the people and in fulfilling our national vision."* Revering His Majesty's wise advice, he said that the Government is committed to serve the Tsa-Wa-Sum with utmost dedication and humility and ensure uninterrupted public service delivery. As such, the Hon'ble Finance Minister submitted that the National Council should support to pass the Budget Appropriation Bill for FY 2018-19.

On this, some of the Hon'ble Members asked the Finance Minister the reasons why the government has not prioritized the Punatsangchhu Hydropower Project II even though it is projected to be completed in the current term of 12th FYP. Question was also raised on the legality of the expenses already made, if upon passing the new Budget Appropriation Bill for FY 2018-19 shall supersede the existing Budget Appropriation Act. Similarly, Members asked why the detailed report of budget allocation for different agencies is not provided in soft copies along with the National Budget Report to the National Council by the Ministry of Finance as per the resolution of the 11th Session of the National Council. Also, Members raised doubts on provision of budget in the next fiscal year if the executions of the developmental activities in the current fiscal year are not completed due to unfavorable and unforeseen weather conditions in the remote gewogs. Further, question was asked on where the budget for the maintenance of Gelephu-Ossey National Highway is included in the Budget Report.

In response, the Hon'ble Finance Minister said that the government is focusing to complete the Punatsangchhu Project 2 within the 12th Five Year Plan. He also said that the new Budget Appropriation Bill includes the budget passed by the 11th Session of the 2nd Parliament and as such there is no problem in superseding the existing Budget Appropriation Act. With regard to the details of budget allocation for different agencies, he said that since the report submitted for adoption is in draft, it would be appropriate to provide the details of budget allocation after the adoption of the Budget. Regarding the incomplete developmental activities caused due to unfavorable and unforeseen weather conditions, he submitted that arrangements will be made to provide as an additional in the next fiscal year for implementation. In conclusion, he clarified that while the budget for maintenance of Gelephu-Ossey Highway is not included under Ministry of Work and Human Settlements, it is included in the National Highway Maintenance Budget under Department of Roads.

1.1. Deliberation and Adoption of Recommendations on the Budget Appropriation Bill for the FY 2018-19

The National Council thoroughly deliberated on the Budget Appropriation Bill for the FY 2018-19 on 16/1/2019 and resolved to pass the Bill with the following recommendations which shall be submitted to the National Assembly for re-deliberation:

A Recommendations for Amendment

Short Title, Scope and Effective Duration

1 Section 3

~~The appropriation shall supersede the appropriation passed by the 11th Session of the 2nd Parliament.~~

2 Section 4

It shall come into effect from 1st January 2019 and end on 30th June 2019 **only for Capital Budget.**

Appropriations

3 Section 1

The appropriation is for a **Capital** consolidated sum of not exceeding Nu. 47,698.129 **11,380.192** million. including Nu. 36,317.937 million passed by the 11th Session of the 2nd Parliament (includes repayment and on-lending).

Justification

The Budget Appropriation Act for Financial Year 2018-19 passed by the 11th Session of the 2nd Parliament includes current budget for the entire fiscal year from 1/7/2018 to 30/6/2019 and capital budget for only six months till 31/12/2018. Therefore, the new Budget Appropriation Bill 2018-19 shall include only the capital budget for the period of six months from 1st January-30th June 2019 and the current budget passed in the 11th Session of the 2nd Parliament need not be consolidated again in the current budget for adoption. Hence, the schedule of budget appropriation related to the Bill has to be amended accordingly.

If as provided in Section 3 under Short Title, Scope and Effective Duration of Budget Appropriation Bill 2018-19 which states that “*The appropriation shall supersede the appropriation passed by the 11th Session of 2nd Parliament,*” it poses the risk of violating Article 14.3 of the Constitution of Bhutan which states that “*Public money shall not be drawn from the Consolidated Fund except through appropriation in accordance with the law.*” Therefore, the National Assembly shall acknowledge the above amendments.

B General Recommendation

Section 3

The appropriation shall be as in the Schedule of the Act.

1. Schedule of Budget Appropriation (No. 45); Ministry of Works and Human Settlement

In principle, the Parliament needs to thoroughly review the background information of the budget and its detailed programmes while passing the Budget Appropriation Bills. However, whilst the current budget report includes some of the important programmes, the details of budget allocation for those programmes are not specified. For example, under the Ministry of Works and Human Settlement, the Capital budget is allocated for major activities like continuation of on-going widening of North-East-West Highway, construction of Dalbari-Dgapela and Khamena-Jenkana roads but the details of the budget allocation for those activities are not provided. Further, examples like slide-prone area of Gelephu-Ossey highway which is one of the major activities but the details of it are not provided in the budget allocation. Therefore, the National Council recommends that henceforth, the Government shall include the details of budget allocation for major activities of central and local government while submitting the annual budget report to the Parliament for adoption.

2. Schedule for Budget Appropriation; Local Government

The capital budget passed for the period of six months from 1st January-30th June 2019 in the current budget appropriation bill for which developmental activities could not be carried out due to unfavorable and unforeseen weather conditions in the remote villages within five months of the current fiscal year, there is a risk of underutilization of capital budget approved by the Parliament. Therefore, the National Council recommends the

Government to develop measures and provide such underutilized capital budget in addition to the block grant which will be provided to the Gewogs in the next fiscal year.

Voting details on the adoption of the Budget and Appropriation Bill for the Financial Year 2018-19

Date: 16/1/2019; Total Votes: 21; 'YES': 21; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Phuntsho Rapten
2. Hon'ble Tashi Wangmo
3. Hon'ble Pema Dakpa
4. Hon'ble Anand Rai
5. Hon'ble Surjaman Thapa
6. Hon'ble Dorji Khandu
7. Hon'ble Ugyen Namgay
8. Hon'ble Karma Gyeltshen
9. Hon'ble Lhatu
10. Hon'ble Tirtha man Rai
11. Hon'ble Choining Dorji
12. Hon'ble Dhan Kumar Sunwar
13. Hon'ble Lhaki Dolma
14. Hon'ble Ugyen Tshering
15. Hon'ble Tashi Samdrup
16. Hon'ble Tempa Dorji
17. Hon'ble Sangay Dorji
18. Hon'ble Sonam Pelzom
19. Hon'ble Tshewang Rinzin
20. Hon'ble Kesang Chuki Dorjee
21. Hon'ble Karma Tshering

(Wednesday, 9th January 2018 corresponding to the 3rd Day of the 12th Month of Earth Male Pig Year of the Bhutanese Calendar)

E. Issues related to Review of Policies

1. Report on the 12th Five Year Plan

The Member-in-charge of the 12th Five Year Plan (FYP), Hon'ble Finance Minister said that the final draft 12th FYP has been shaped by extensive consultations held over a period of two years with wide ranging groups of people of the country, government agencies, private representative and the four political parties during the tenure of past government. The present Government has also comprehensively reviewed the final draft 12th FYP and incorporated not only the pledges of the elected Government but also the pledges of other three political parties that are in the larger national interest and reflecting the aspiration of people of Bhutan. He also informed Gross National Happiness Commission had presented the approved 12th FYP to the National Council on 25th December 2018 and the National Assembly on 26th December 2018, which was further reviewed by the Cabinet. He said that the final 12th FYP Report is now presented to the Session.

He said that this 12th FYP will be unique at this critical stage in our development history of Bhutan as in the next five year plan Bhutan will be graduating from the list of Least Developed Countries (LDC) by 13th December 2023. Since the 12th FYP will be Bhutan's last plan as an LDC, a new feature of the 12th FYP is the Government's Flagship Programmes. Further there is plan to provide adequate grants to the Local Governments in the 12th FYP resulting in an equal share of capital resources as the Central Agencies. Unlike past plan periods which commence as per the financial year, the 12th FYP period commences from 1st November, 2018 to 31st October 2023 in order to align with the term of the term of the Government.

The objective of 12th FYP is “**Just, Harmonious and Sustainable Society through enhanced Decentralization.**” The objective has been drawn from the timeless vision and wisdom of His Majesty the Druk Gyalpo and is anchored on the provisions of the Constitutions, lessons from the results of 11th FYP, 17 National Key Result Areas drawn from extensive stakeholder consultations including Civil Society Organization (CSOs) and political parties, and regional and international commitments including the SDGs, and 11 Local Government Key Results Areas including improved and sustained livelihood of highlanders. In addition another new feature of the 12th FYP is the Government's Flagship Programmes that aim to address issues of national priority on ensuring macro-economic stability, creation of job opportunities, 24*7 safe drinking water, improving the quality of health care and improve efficiency and effectiveness of public services delivery were identified. The national priorities in the Plan are eradication of poverty; enhance the quality of health and education services, narrowing the gap between rich and poor, enhanced economic diversity and productive capacity, preserve and promote culture and tradition, promotion of quality resilient infrastructure and strategic development of human resources.

He submitted that the total outlay for the 12th FYP is estimated at Nu. 310,016 million, out of which the current expenditure is estimated at Nu. 193,895 million and capital expenditure is estimated at Nu. 116,121 million. The growth in current expenditure is 63 percent and the growth in capital expenditure is 54 percent which will be financed mainly through Grants and 21 percent will be financed through domestic revenue. However fiscal deficit in the 12th FYP is estimated at the surplus resulting in a gap of 25 percent.

The indicative capital outlay in the 12th FYP is projected at Nu. 116 billion, of which Nu. 50 billion each is allocated to for Central Agencies and Local Governments respectively whereas Nu. 15 billion is allocated for Flagship Programmes. The balance of Nu. 1 billion is transferred to Bhutanese Economic Stabilization Fund. The Capital grants to Local Government is allocated based on Resource Allocation Formula (RAF) and Common Minimum Infrastructure (CMI) needs, and the 12th FYP Grants allocation to Dzongkhags is based on the set of key criteria of individual dzongkhag level such as local economy development, employment opportunities, improvement in the quality of health and education, waste management and culture heritage etc.

Similarly, he said that resources to respective Thromde 'A's is also being allocated using RAF and keeping in mind the problems related to improvement of common minimum infrastructure, safe drinking water supply, sanitation, reduction of pollution, quality of education and traffic congestion. While in gewogs, the allocation of resources are based on agriculture and livestock, health and education, water and sanitation facilities and improvement of household income etc.

He said that the 12th FYP was drafted keeping in mind the economic condition of the country, national goals and objectives and security and sovereignty of the country. While there are many important developmental programmes and activities to be carried out in the country, the plan was drafted based on the important priorities taking into account the resources of the country. However, he informed that the Parliament, in particular the National Council, upon thorough research, justifications and review of the plan, can provide beneficial recommendations to the Government if there are new ideas and means to improve the Plan.

On this, the Hon'ble Members raised their doubts on what basis the Gross Domestic Product growth is projected at 5 - 6 %; what are the plans to develop human resource capacity to implement the abundant grants provided to the Local Governments; no separate National Key Result Area for private sector development; no prioritized separate budget in the culture sector and further no separate budget allocated for Culture Trust Fund. In response, the Hon'ble Finance Minister said that the Gross Domestic Product growth rate is projected based on average. With regard to human resource development of Local Government he said that the government will send as per the requirements. However for the implementation of grants a separate regulation will be drafted. Further, he said that the private sector development is included in the National Key Results Area 2 and budget is allocated to the Local Government, Gewog and Central Government in the culture sector. Although there is no separate budget reserved for Cultural Trust Fund, it will be prioritized if any Grants are received in future.

In addition, some of the Hon'ble Members asked that why the government has not made efforts to further reduce the income difference between rich and poor than the already existing standard. They also said that the most of the estimates of the Plan are targeted based on previous reports and also submitted that even by the end of 12th FYP the targets will remain the same which is not justifiable. The Hon'ble Members also asked that who will coordinate the Flagship Programmes and asked which five year plan will cover the budget for 4 months left out in between 11th FYP and 12th FYP. Likewise, with the objective of gender equality, the Hon'ble Members also raised doubt on why number of women representatives in the Local Government position was not targeted.

In response, Hon'ble Finance Minister said that the objective is to reduce the income gap between the rich and poor from the existing standard and submitted that most of the objectives which need to be either reduced or improved are based on the existing reports. Further the activities under the Flagship Programmes will be prepared and implemented by the respective agencies and it will be monitored by the Office of the Prime Minister. Similarly, the budget for 4 months in between the two five year plans, will be included in 12th Five Year Plan. He also said that the objective of women's participation for Local Government position is not included in National Key Result Area but it is clearly included in the Agency Key Result Area of the Election Commission of Bhutan.

2.1. Deliberations and Adoption of Recommendations on the 12th Five Year Plan Report

The National Council thoroughly deliberated on the 12th Five Year Plan Report on 9/1/2019, 10/1/2019, 11/1/2019 and 15/1/2019 and resolved to submit the following recommendations to the Government and relevant agencies for necessary actions:

The recommendations are based on the 12th Five Year Plan (2018-2023) Volume I: Main Document.

1. Chapter 2: GNH Policy Screening Tool

1.1 Acknowledging that the Royal Government and Gross National Happiness Commission had established a GNH Policy Screening Tool in order to ensure that the national policies fulfill the objectives of Gross National Happiness and till date, some of the draft policies were screened and approved using the tool. However, the National Council hereafter recommends the Royal Government to use GNH Policy Screening Tools for approval of every plan and programmes of national importance.

2. Chapter 3: Introduction

2.1 While appreciating the Royal Government's proposal to align the 12th Five Year Plan period with their tenure from 1st November 2018 to 31st October 2023 for the convenience of functioning of the Government; the past experiences shows that during the tenure of the interim government, developmental activities are put to halt as there is no capital budget during this period thereby affecting the generation of domestic revenue as well. Therefore, it is recommended that the government to once again review the time period of 12th Five Year Plan and to consider including the time period of the Interim Government in the Plan Period so that until the time the new government is formed next time, the implementation of capital budget allocated for the activities can be continued even during the period of Interim Government as well.

3. Chapter 3 Flagship Programmes

3.1 The unique feature of the 12th Five Year Plan started by the government is the Flagship Programmes for which abundant funds are allocated by the Government for its implementation. However, no details about procedures regarding planning and implementation of the Flagship Programmes are provided by the Government. In order to ensure effective implementation of the Plan in future, it is recommended that the Government to provide detail objectives of the Flagship Programmes and to draft blueprint policy and regulation for the implementation of the Flagship Programmes and submit to the Parliament for adoption.

4. Chapter 3 National Key Result Areas:1 Macroeconomic Stability Ensured

4.1 According to the 12th Five Year Plan Report, the Annual Real Gross Domestic Product (GDP) Growth is targeted in between 5-6% by the end of the 12th FYP which is lower compared to the results of previous plan. In recognition to the Istanbul Declaration where Royal Government of Bhutan is a signatory, the target of Annual GDP Growth needs to be targeted at more than 7% for the Developing Countries. Therefore, the Annual GDP Growth needs to be targeted at more than 7% and in order to achieve this, it is recommended that one of the highest revenue contributing hydropower sectors like Punatshangchu-II, needs to be prioritizes

and included under Key Performance Indicator (KPI) during the current Five Year Plan.

5. National Key Result Area 2: Economic Diversity and Productivity Enhanced

5.1 Acknowledging the government's tourism development flagship programme, it is recommended to include to develop the basic infrastructure for the development of tourism while drafting the main policy with the objectives of regional balanced, differentiate among the international, regional and domestic tourist and more over the place to visit in the country for example, sacred places, hot spring, mountaineering trek, hike, cultures, environment and etc. It also recommended for the adoption of national key tourism policy and enactment of tourism act.

6. National Key Result Area 3: Poverty Eradicated & Inequality Reduced

6.1 The government's initiatives to provide free nutritious lunches for the needy children in identified schools and institutes is not going to accomplish the objectives of reducing the inequality rather than differentiating the students. Therefore, it is recommended that the government should take measures to provide free nutritious lunches to all the students uniformly in identified schools and institutes.

7. National Key Result Area 4: Culture and Traditions preserved and promoted

7.1 The one of the main backbone of the country is cultural and traditions. In 1999, in the interest of long run His Majesty 4th Druk Gyalpo issued Royal Charter to establish Cultural Trust Fund. Apart from the seed money provided at the time of establishment and the interest no additional funds was provided. Henceforth to accomplish the national objectives it is recommended that to implement as per the Royal Charter the government should provide funds to the trust fund. For example, provide a minimal percent of money collected from the cultural tourists and other various measures to provide funds to the cultural trust fund.

7.2 The 19th Session of National Council deliberated on the review report of cultural heritage of Bhutan and submitted recommendations to certainly need of national cultural policy and cultural heritage bill to uphold the traditional culture for the future. It is recommended that the government to acknowledge way forward to pass the national cultural policy and cultural heritage bill.

8. National Key Result Area 5: Healthy ecosystem service maintained

8.1 Although it has been priorities to conserve the habitat of wild animals and to balance the number of wild animals in the forest it is important to protect tigers. When the tigers and other wild animals in different places of the country cause damages to the people, cattle and crops the previous government had established endowment fund to compensate have not served to benefit.

8.2 In different places the area for parks were identified to protect the wild animals and to manage the coverage of natural environment whereby the initiation of developmental activities were not permitted. The livelihood and economic earning of such residents in those areas has been deficient. It is resolved to recommend the government to provide appropriate compensation and other means to support.

9. National Key Result 7: Quality of education and skills improved

- 9.1 Even though from the government side one of the significant changes in the education system has been the institution of the new subject: technical and vocational education training for the purpose of letting the class ten pass students to continue their education in higher secondary schools and though sum of Nu:242 million has been allotted for that purpose, this is a recommendation for the government to carry out an exhaustive review and a recommendation for the National Council to provide the final report on the reviewing policy of the technical and vocational education training and to institute the programme as per the recommendation made to the government for the convenience during the operation of the programme in the future and before the programme is initiated in the long run.

10. National Key Result Area 8: Food and nutrition security ensured

- 10.1 Since the land nearby dzongkhags and town areas identified as a green belt zones as per the government guidelines and the private lands identified for the government developmental activities has neither been allowed for the private owners to cultivate nor an appropriate land substitutes and compensations has been provided, the cultivation activities for the sake of food security nor the developmental activities for personal income could not be carried on. Therefore, this is a recommendation for the government to make a thorough review and provide appropriate land substitute and appropriate compensation.
- 10.2 In order to have food self-sufficiency and security in country the production of cereal crops and vegetable has to be prioritized. However, according to the budget allocations other than production of cereal crops and vegetable the other activities such as meat processing etc are maximal. To achieve the objectives of food self-sufficiency, it is recommended to increase the budget allocation to improve the production of cereal crops and vegetables.

11. National Key Result Areas 11: Productive & Gainful Employment Created

- 11.1 The private sector has to create the jobs through the Government's supplement and even the previous Governments have also promoted the private sectors through many measures such as tax holidays and incentives. The cause for not able to create enough jobs has to be reviewed based on the experience gained from the past and develop new measures to create more jobs in the private sectors. Therefore, it is recommended to not only to prioritize to bring the youth unemployment rate below 6-6.5% by the end of 12th Five Year Plan.

12. National Key Result Areas 13: Democracy and Decentralization Strengthened

- 12.1 The Government has provided the Grants directly to the Local Governments and to help the local government leaders to implement properly their capacity has to be enhanced. It is recommended that as per the section 265 of Local Government Act, each Gewog should be staffed with such as Gewog Administration Officer, engineer and accounts personnel.

13. National Key Result Areas 14: Healthy and Caring Society Enhanced

- 13.1 Acknowledging the Government have featured to keep the number of suicides case below 12 in one lakh population by the end of 12th Five Year Plan. The number of

suicide case from 2015–2018 is in between 10 and 12 according to the news reporters, because of which the objective of 12th Five Year Plan is targeted to be achieved easily. In the Public Health Care the suicidal is one of the urgent issues as it is against the principle of Gross National happiness and the philosophies of Buddhism. Considering the issue of suicide has caused grave inconvenience in society and families, it is recommended that the Government should target to keep the number below 10 in one lakh population as aimed in the year 2015.

- 13.2 When an individual is physically and mentally ill there are health treatment services and likewise the physical and mental illness can be prevented by other means beforehand. Therefore, it is recommended to improve exercise relate gym facilities in all the dzongkhags. The rehabilitation centers are situated only in capital and surrounding places. It is also recommended to regionally balance and further for the convenience of societies to establish in all the dzongkhags.

14. National Key Result Areas 16: Justice Services and Institutions Strengthened

- 14.1 The legal aid services should be provided to those citizens who do not even have basic income in the country to avail the equal Justice Services. However the services were not able to provide due to budget constraint and lack of efficient management of the budget. It is recommended that the according to the provisions of the Constitution to provide the efficient services, the Royal Government has to allocate adequate budget to improve the legal aid services. Further it is recommended to action recall by acknowledging the recommendations deliberated and adopted in the 20th Session of the National Council.
- 14.2 In the 12th Five Year Plan, under the National Council of Bhutan there are only 17 laws in conflict to be reviewed. As per the legislative mandate of the National Council it is not only to review the laws in conflicts but also to deliberate on the new laws. Therefore, it is recommended that the target should include the drafting of new legislation and review of national importance policy in detailed.
- 14.3 The baseline for satisfaction on Justice Services render under Office of Attorney General is target at 75% by the end of 12th Five Year Plan and the baseline whether the services is provided or not provided timely is targeted at 10%. However, the present target of baseline is baseless and unjustifiable. Therefore, it is recommended that the baseline to be targeted has to be immediately included.

15. Resource Allocation Framework

- 15.1 Similar to resource allocation framework in the 11th Plan, it was recommended that the eligibility for budget allocation of dzongkhags should include transport cost index. Some of the dzongkhags are situated at the place of production and some are situated distant because of which the transport cost is apparently more. It is also recommended that similar to that of manufacturing Cottage and Small Industries in sub-criteria '*economy*' in the table (Annexure III), the criteria for allocation should include about the service provider.

16. Annexure

- 16.1 In the 12th Five Year Plan Volume 3 under Zhemgang Dzongkhag section 20 (B) the list of roads for Chiwog without the road has miss out the road for Tashi (B) village under Phangkhar Gewog as submitted by the dzongkhag administration. It is recommended to include the construction of farm road in the list.

Voting details on the Adoption of the Recommendations on the 12th Five year Plan Report

Date: 15/1/2019; Total Votes: 22; 'YES': 22; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Dasho Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Anand Rai
6. Hon'ble Surjaman Thapa
7. Hon'ble Dorji Khandu
8. Hon'ble Ugyen Namgay
9. Hon'ble Karma Gyeltshen
10. Hon'ble Lhatu
11. Hon'ble Tirtha Man Rai
12. Hon'ble Choining Dorji
13. Hon'ble Dhan Kuman Sunwar
14. Hon'ble Lhaki Dolma
15. Hon'ble Ugyen Tshering
16. Hon'ble Tashi Samdrup
17. Hon'ble Tempa Dorji
18. Hon'ble Sangay Dorji
19. Hon'ble Sonam Pelzom
20. Hon'ble Tshewang Rinzin
21. Hon'ble Kesang Chuki Dorjee
22. Hon'ble Karma Tshering

(Monday, 7th January 2019 corresponding to the 2nd Day of the 12th Month of Earth Male Dog Year of the Bhutanese Calendar)

2. Interim Report on the Review of Harmful Use of Alcohol in the Country

The Chairperson of Good Governance Committee, Hon'ble Tashi Wangmo said that the use of alcohol is widely accepted and ingrained in our culture and as a result, harmful effects of alcohol have posed a serious threat related to health, wellbeing and economy of the Bhutanese society. Recognizing it as a serious national concern, the decision to review this impending issue was taken during the Retreat Workshop of the 3rd National Council, held in Paro in June 2018. The review task was assigned to Good Governance Committee. She said that the purpose of the review is mainly to present an interim

report during the current session and therefore, does not suggest any recommendation to the government at this stage. The interim report consists of information on the current situation of alcohol related problems, the areas of policy interventions made by the Royal Government, preliminary observations of the Committee and the way forward.

She reported that in order to obtain holistic understanding of alcohol related problems in the country, the Committee held series of consultative meetings with around 8 Ministries and Agencies. The Committee also visited few schools, colleges and rehabilitation centers to understand the ground realities of the problem. Moreover, the Committee reviewed the current alcohol policy (National Policy and Strategic Framework to reduce Harmful use of alcohol 2015 – 2020) and to further enhance the knowledge on the international best practices in policy interventions, research report published for other countries were also referred the Committee.

Reporting on the current scenario of alcohol use and its harmful effects, the Members of the Good Governance Committee said that while the consumption of home-brewed alcohols like ara, bangchang, and singchang in the villages has reportedly reduced, the consumption preference has however, increased due to industrial alcoholic beverages and import of alcohols. As per NCD survey 2014, alcohol users are present in every Dzongkhag but the concentration is more in the central and eastern regions with Pemagatshel Dzongkhag representing the highest percentage of alcohol users in the country. They also reported that the harmful effects of alcohol use is not just contained at individual level physical health problems but goes much beyond causing negative externalities like social disharmony and economic disadvantages.

Regarding current interventions to reduce harmful use of alcohol, the Members of the Committee reported that concerted efforts have been made by the Royal Government to reduce its harmful effects through multi-sectoral interventions. The current areas of policy interventions include awareness/sensitization programmes related to harmful effects of alcohol, control measures on availability and accessibility of alcohol and regulation on advertisement and promotion of alcohol beverages in print and broadcast media and films as per the Information, Communication and Media Act of Bhutan 2017. However, when the Good Governance Committee reviewed the issue, it was found that there was poor compliance with the relevant laws, weak coordination among implementation agencies and inadequate attention on social determinants causing alcohol abuse resulting in family and social problem. In addition, it was also found that ready availability of alcohol at affordable prices has been the main cause for high alcohol abuse in our society. Moreover, the cultural belief and perception and availability of more leisure time have contributed for high alcohol consumption in the community.

Acknowledging all the problems, with the objective to come up with appropriate recommendations, the Committee proposes to continue more stakeholders' consultation meetings to understand the issue, make field visits to different dzongkhags and institutions to meet with Local Government officials, parents and students to confirm with preliminary findings. In addition, ascertain key social determinants causing alcohol abuse in the country and accordingly explore appropriate interventions in social and family problems.

To this, Hon'ble Members submitted that the final report of the Good Governance Committee should include issues such as up-to-date information, comparative study with international reports, classification of areas of alcohol production, categorization of

alcohol consumers and the advantages and the disadvantages of income tax and expenditure from sale of alcohol etc. To this, the National Council resolved that the Good Governance Committee should consider the following points while continuing its review on the issue.

1. In continuation to the stakeholder consultative meetings, the Committee will also meet with Religious Society and Gomdey and review on the consumption of alcohol from religious and cultural perspective.
2. To understand present scenario the latest reports has to be referred, as the interim report has referred only the past reports of 2010 and 2012.
3. A thorough review has to be carried to understand within and outside country's circumstance and to exercise the international policies and reports along with how the internal policies such as no drunk driving, no alcohol day and no tolerance day were based on.
4. The report should aptly classify between the rural and urban while regarding to the consumers such as poor, civil servants, private employees and youths etc.
5. As there is no defined distance for restriction of sale of alcohol in the nearby area, it has to fix the distance for such restriction.
6. The advantage and disadvantage of some of the best measures practiced for reducing alcohol consumption in eastern dzongkhags has to considered to be implemented in other dzongkhags and gewogs.
7. The report should include detail about import of alcohol along with the comparative of revenue from alcohol importation tax and expenditure incurred on alcoholism medical treatment.
8. Though the policy contents sale of alcohol is permissible from 1 PM till 10 PM all the recreational hall only starts from 10 PM onwards are to be reviewed.
9. The opinion in construction of rehabilitation centre should be regionally balanced and should not only be in Capital.
10. While continuing with the consultation meeting more number of colleges and brewery factory to be coordinated.
11. To view on possibilities whether the Hon'ble Members of Parliament can coordinate advocacy programs on alcohol consumption.
12. A proper investigation from where the alcohol patients are evolving up.

(Tuesday, 8th January 2018 corresponding to the 2nd Day of the 12th Month of Earth Female Pig Year of the Bhutanese Calendar)

3. Interim Report on Technical and Vocational Education Training Issue

The Chairperson of Special Committee for Technical and Vocational Education Training (TVET), Hon'ble Phuntsho Rapten said that recognizing the importance of Technical and Vocational Education and Training (TVET) in the overall socio-economic development process, the Royal Government had introduced TVET system right from the mid 1960s in the country. Today, there are six Technical Training Institutes (TTI) and two Institutes of Zorig Chusum under the purview of Ministry of Labour and Human Resources (MoLHR).

Despite considerable investments made in the TVET system, it still faces significant challenges as aggravated by the rapid economic transformation and access, relevancy and quality of skills in the changing labour market requirements. In addition, in the wake of high youth unemployment situation, TVET is still not a preferred choice by our youth general and TVET graduates continue to face difficulty in upgrading their educational qualification and career progress were proposed and deliberated during the National Council's retreat in Paro in July 2018. This issues was directed to the Special Committee for TVET which started to review the TVET system.

As a part of its consultative process, the Committee met with the some of the primary ten stakeholders namely MoLHR, Construction Association of Bhutan, Construction Development Board, Construction Development Corporation Ltd, Bhutan Power Corporation Ltd, TTI Thimphu, TTI Samthang, Jigme Wangchuck Power Training Institute (JWPTI), Dekiling and Bhutan Jamchong Thuendrel Foundation. It further carried out field visits to some of the TTIs to enrich Committee's understanding and reviewed numerous relevant literatures from policy to plan document, TVET sector assessment report, TVET Blueprints and other ongoing papers.

On this, the Members of Special Committee over the last three months of reviewing the Committee's preliminary observation/findings suggest that factors hindering development of TVET sector which is broadly under the following 5 areas; as lack of TVET policy stewardship, inadequate attention on developing professional TVET services, partial implementation of Bhutan Vocational Qualifications Framework (BVQF), weak TVET-industry linkages and lack of adequate financial and human resources.

He reported that towards improving the overall image and attractiveness of the TVET Programs in the country and a dire need of parent policy as the current policy is limited in its scope and hence, not able to cover all TVET providers under the existing policy framework as well as renaming or rebranding such nomenclature did not add any value instead it only caused confusion which has to be affirmed. As of now, TTIs of MoLHR provides TVET programs only at the certificate level whereby it has neither been able to provide government scholarships nor avail attractive scholarships from TVET institutions outside the country to pursue higher technical and vocational education. Apart from technical courses, TTIs should also teach technical English, Dzongkha and workshop calculations (Maths) to enhance soft skills, competency and sustaining of trainees. Currently, due to lack of dedicated teachers for the above subjects some of the TTIs have to discontinue and the problem of basis infrastructure are confronted.

Henceforth, the Special Committee will continue its stakeholder consultation with the Bhutan Chamber of Commerce and Industry, Association of Bhutanese Industries and Bhutan Automobile Association. As a part of the institutional visit, it will also visit Chumi TTI, Rangjung TTI and Trashiyangtse College of Zorig Chusum. It also plans to make field visits to Pasakha industrial estates and one hydropower project. The Committee will present its full review findings along with appropriate recommendation(s) to the 23rd session of the National Council in 2019 summer.

Appreciating on the Special Committee's interim report, Hon'ble Members informed that henceforth in continuing with the review on the opportunities for the TTIs instructors to upgrade their educational qualification and enhance career progression, in case of new establishment of TTIs has to be regionally balance, review and development of curriculum and inspiring both the genders to equally take the opportunities on technical

and vocational education trainings are to be kept in mind. It was informed that towards improving the overall image and attractiveness of the TVET programs and to recognize the TTIs graduate's qualification to pursue higher technical and vocational education were discussed.

Considering, that TVET sector plays an important role in both creations of employment and enhancing employability skills of the job seekers in the country. Therefore, the National Council resolved that the Special Committee will continue to review and present final report in 23rd Session with the incorporation of following points:

- 1 To enhance on the capacities of instructor to improve the communication skill of technical and vocational educational trainees priorities to be drawn.
- 2 To review on the disparity between the trainees in training institute and places of job and possibilities to improve on the curriculum.
- 3 The motive to establish new training institutes and shifting should not be for regional balance rather than local resource endowment and climatic condition play crucial role in the effective delivery of TVET program.
- 4 To improve overall image and attractiveness of TVET program in the society and encourage the youths to take vocational occupation
- 5 For the effective TVET system has to bring all the TTIs under the purview of key policy and agency while the possibilities to provide adequate stipend to the TTIs trainees
- 6 To continue the consultation meeting with students of high schools, trainees, private sectors, corporations and in-service graduates.
- 7 To view whether the issue is consolidated with 12th Five year plan or not and while reviewing whether it is accepted as per plan and principle of gender balance.

(Wednesday, 9th January 2018 corresponding to the 3rd Day of the 12th Month of Earth Male Pig Year of the Bhutanese Calendar)

F. Proceedings of Question Time

1. Hon'ble Prime Minister

Hon'ble Member Karma Tshering, Eminent Member said that there is rising national concern on the growing income and wealth gap between the rich and the poor and for making "narrowing the gap" as its central campaign theme. Further, the manifesto of the ruling government stated that the party would review the prevailing taxes and tax bands to ensure the wealthiest Bhutanese do not pay less than hard working middle class to bridge the gap and sustain the economy. He asked what redistributive tax measures will the government will adopt to reduce the growing income and wealth gap in the country and can the government commit to provide a tax reform timeline to make taxes more progressive and when will the government institute luxury and inheritance taxes?

In response, Hon'ble Prime Minister said that the main vision of the present government is narrowing the gap between the rich and poor. Among many measures in narrowing the gap are to improve the quality of education, creation of jobs, improve health services and

avail beneficial to the poor. Similarly, in order to narrow the gap between rich and poor the government plans for immense tax reform in the country which will entail those rich people who own huge properties to pay more progressive taxes while provide tax concessional to those needy poor. However, the pros and cons of tax reformation would be the foundation of the country which has to be consulted with the experts. Hence it is not possible to provide the exact timeline for tax reformation as of now, however the government will prioritize to complete within one year time.

Some of the Members asked that there is no objective in minimizing the index between rich and poor as the recent national report indicate that income disparities are worsening in the country as Gini coefficient has deteriorated from 0.35 in 2007 to 0.36 in 2012 and 0.38 in 2017. While other Members asked that narrowing the gap between rich and poor should also be based on policy and legislation and not only based on tax reform. On this, Hon'ble Prime Minister said that the tax reform is just one of the parts in narrowing the gap while the other includes reviewing the policies and legislations. Although, at present there are best policies and laws enacted in the country it has failed due to improper implementation whereby now onwards it will focus to implement righteously.

2. Hon'ble Minister for Information and Communication

2.1. Access to television network services and radio network related

The Hon'ble Member from Haa Dzongkhag said that with the rapid development of the country information and communication service has become keys to development especially in the democracy when people's awareness and participation has become crucial in decision making. Although, some part of the country especially rural and remote places are lacking behind with basic communication facilities like access to television network services (BBS channel I & II) and radio networks. He asked what is the plan and strategy to improve BBS television and radio network coverage across the country and is there any possibility for the government to grant subsidy on basic communication facilities to provide reliable BBS TV network services to remote places.

In response, Hon'ble Minister for Information and communication said that the government has acknowledged prioritizing to improve the access to the information service. Recently, department of information technology and telecom has installed the South Asia Satellite Project in the Bhutan Boardcasting Service compound, once the testing is completed the access to boardcasting will be improved to reach all places of the country. Hon'ble Minister said that if any respective dzongkhags and gewogs are facing such problems can directly approach Minister for ways to resolve.

2.2 Access to Communication related question

The Hon'ble Member from Chukha Dzongkhag commended on the efforts made by the previous government and present government to connect all the dzongkhags and gewogs with the mobile communication. However, there are some of the villages and settlements across the country that does not have connectivity to the mobile network and those which are there do not have good connectivity. The telecom operators have informed that expansion and improvement of such services is based on business viability which depends on the number of households and residing population in those particular

villages. Considering huge inconvenience caused to the public, what are the new initiatives planned by the Government to improve mobile communication facilities and services to those places which either do not have connection or have very unreliable mobile network connection?

On this, the Hon'ble Minister responded that the government is also prioritizing to improve the mobile connectivity services in all the dzongkhags and gewogs in phase wise. He said that with the implementation of the 5th Phase of Rural Connectivity Programme (RCP) will improve the mobile connectivity service in areas where there was no connectivity earlier. However, Hon'ble Minister said that to approach the Minister to list the respective dzongkhag, gewog and villages which are not included in the plan to resolve the problem.

(Friday, 11th January 2018 corresponding to the 5th Day of the 12th Month of Earth Female Pig Year of the Bhutanese Calendar)

3. Hon'ble Minister for Education

Hon'ble Member Tashi Wangmo said that in the 19th National Education Conference, the Ministry of Education (MoE) has resolved to introduce Technical and Vocational Education Training (TVET) programme in the higher secondary schools for 11th and 12th standard starting from the academic session 2019. On this, she asked the following questions; how different will TVET programmes be from what Ministry of Labour and Human Resource (MoLHR) is providing through its Technical Training Institutes? What value addition will there be by keeping it with Ministry of Education? How prepared is MoE in terms of physical infrastructure and trainers as TVET programmes would require totally different set of training facilities and skills for trainers? How prepared is MoE on the curriculum of the TVET modules programme?

On this, Hon'ble Education Minister responded that the introduction of TVET programmes in the school system is to equip our youth with appropriate skills will enable our youth to find gainful employment. The introduction of the programme by the MoE will recognize the programme like any other subjects in class 12 students and this will be advantageous in continuing the education. Subsequently, MoE in collaboration with MoLHR will implement the project to prepare for basic infrastructure facilities in the schools and with regard to curriculum the students will be allowed to choose the subject from the very lower class whereby the students will be encouraged to take up the programmes when they reach higher standard.

On this some of the Hon'ble Members asked that the programme is similar as earlier where the tertiary education consists of 80 percent and vocational education for 20 percent. However, it was raised that on what background the programmes were introduced in the school which no different than in past. In response, the Hon'ble Minister said that the programmes is not introduced as temporary measures as the present government resolved to introduce based on the research and review carried out in past.

4. Hon'ble Agriculture and Forest Minister

The Hon'ble Member of Haa Dzongkhag said that though the previous government had constructed many farm roads across the villages which are not functional able due to the poor quality has been waste to the government's expenditure if it is left out. Henceforth, he asked that what are the governments measure to make the farm roads functional able and moreover what are the plans to enforce the farm road regulations and governments margin of quality for constructing farm roads. On this, the Hon'ble Minister said that the government has a plan to renovate and construct new farm roads as per the budget allocated. He also said that, although the construction of farm roads is a responsibility of Local Government, the government is monitoring and there is plan to amend the procurement rules and in order to ensure standard quality.

Some of the members said that is there any separate budgets allocated for the construction of bridge in some places where it has to pass by the big river while constructing the farm roads. And how are the budgets allocated for the hard land formation cutting and make the farm roads functional able in monsoon season. In response, the Hon'ble Minister for Agriculture and Forest said that for the budget allocated includes for the construction of small bridges along the farm roads while a separate budget will be allocated for the construction of big bridges.

(Wednesday, 16th January 2019 corresponding to the 10th Day of the 12th Month of Earth Male Dog Year of the Bhutanese Calendar)

5. Hon'ble Minister for Economic Affairs

The Hon'ble Member Tashi Wangyal said that as per Article 1, Section 12 of the Constitution of Bhutan, *"The rights over mineral resources, rivers, lakes and forests shall vest in the State and are the properties of the State, which shall be regulated by law."* However, the mines and minerals sector had benefited only a few individuals and families whereby the noble vision of His Majesty the King for building a *"Just and Harmonious Society"* cannot be fulfilled. Further, reports of the Anti-Corruption Commission and the Royal Audit Authority have shown that the sectors are riddled with governance problems including incidences of corruption, tax evasion and illegal business practices. He said that based on the above reasons, the previous National Council had recommended the government to urgently table the Minerals and Mines Management Act 1995 (Amendment Bill). Since the present government has already completed the research and review works regarding the amendment of the Minerals and Mines Management Act 1995, he asked the Hon'ble Minister if the Government is able to table the Amendment Bill in the upcoming summer session of the Parliament.

In response, the Hon'ble Minister for Economic Affairs said that the present government acknowledges the insightful research and review works carried out by the National Council on the issues related to mining and said that the government is as equally concerned as the National Council with the objective to narrowing the gap between the rich and poor. He informed the House that consultation meetings are still on-going with regard to the amendment of the Minerals and Mines Management Act 1995. Therefore, he said that the government is able to table the Amendment Bill in the upcoming summer session of the Parliament.

On this, the Hon'ble Members asked about the plans of the government on issuance of new licenses and renewal of licenses related to mining until such time the Act is amended by the Parliament. The Hon'ble Members also asked about the possibility of inclusion of provisions regarding illegal stone quarrying along the river banks, creation of employment opportunities in the mining sectors and the conditions for economy growth in the Amendment Bill. In response, the Hon'ble Minister said that issuance of licenses and renewal of licenses will be suspended until the Amendment Bill is passed by the Parliament. He also said that other issues raised by the Hon'ble Members will be all covered and included in the Amendment Bill. Moreover, the Hon'ble Minister submitted that the National Council should support the Bill during the deliberation on the Amendment Bill in the National Council in order to fulfill the national objective.

(Friday, 18th January 2019 corresponding to the 12th Day of the 12th Month of Earth Male Dog Year of the Bhutanese Calendar)

6. Hon'ble Minister for Works and Human Settlement

The Hon'ble Member of Gasa Dzongkhag said that although the road pavement design standard for secondary national highway and farm roads are prescribed in the Guideline for Road Classification System and Delineation for Construction and Maintenance Responsibilities 2009, it is not implemented properly which has caused inconvenience due to poor quality of roads. He raised the question on what are the government's plans hereafter to modify and improve the current specification of the road pavement standard. In response, the Hon'ble Minister for Works and Human Settlement said that though the road classification system in Bhutan 2017 manual and regulations are steadily in place, it is not properly implemented mainly due to many new road constructions and its allocated budget variation. He also said that to construct the quality and standard roads the number of road construction has to be reduced and while according to the budget criteria it has hugely affected to the quality of roads. He said that although there is budget constraint the government will take measures to utilize properly to improve the quality of roads as compared in the past.

On this, Hon'ble Members submitted that hereafter the government should take measures for road construction keeping in mind the criteria of land formation, geology, weather condition and number of vehicles and focus to improve the substandard quality of Gewog roads (GC) constructed in the 11th FYP. In response Hon'ble Minister said that the government will focus to improve the quality and durability of gewog centre (GC) roads by increasing the blacktop (premix carpet) thickness to 30mm (millimeter) from the current 25mm and he also said that the government will jointly focus to construct roads if the House has any solutions and ideas.

7. Hon'ble Minister for Labour and Human Resources

The Hon'ble Member of Punakha Dzongkhag said that the previous government had initiated overseas employment programme under learn and earn programme in Japan for the unemployed youths. She asked that what are the specific actions the government plans to undertake and how long will it take to resolve the issues being raised where recently some of the children have returned back to the country when they faced problems while working in Japan and for those who are in Japan are still facing the

problems. In response, the Hon'ble Minister for Labour and Human Resource said that after the recent issue in Japan the government has started to carry out proper investigation and mainly to resolve the problem the loan repayment time availed by class XII graduates has been deferred by four years while bachelors' degree graduates working and studying in Japan can continue repaying the remaining amount of loan after two years. He also informed that acknowledge the issues a delegation led by Minister himself would soon leave for Japan and investigate on the issue.

On this, the Hon'ble Members raised questions with regard to the renewal of visa for those students who are still working in Japan and sought clarification to resolve the problem with private consultant and the issue of two part-time jobs which is against the Japanese immigration law. To this, Hon'ble Minister said that the government is going to hold discussions with regard to renewal of visa and the private consultant for overseas employment will be held accountable in compliance to the viable failure. He also said that the government has planned to review on the issue of assuring to provide two part-time jobs as agreed in the agreement which was not as per rules in the Japanese.

(Thursday, 23rd January 2019 corresponding to the 18th Day of the 12th Month of Earth Male Dog Year of the Bhutanese Calendar)

G. Closing Ceremony

1. Closing Address of the Hon'ble Chairperson

The 22nd Session of the National Council concluded on 23rd of January 2019 corresponding to the 18th Day of the 12th Month of Earth Male Dog Year of the Bhutanese Calendar. The Chairperson thanked the Hon'ble Prime Minister of Bhutan, the Deputy Speaker of the National Assembly, the Cabinet Secretary and other officials for gracing the closing ceremony.

The Chairperson informed that during the 22nd Session of the National Council, under the Legislative Issues; the Budget Appropriation Bill for the Financial Year 2018-19 was deliberated and adopted 3 recommendations which were submitted to the National Assembly for re-deliberation. Under Issues related to Review of Policies; he informed that the 12th Five Year Plan Report was deliberated thoroughly and adopted around 22 recommendations which were submitted to the Royal Government for acceptance. Likewise, an Interim Report on issues related to Review of Harmful Use of Alcohol in the Country and Technical and Vocational Education and Training (TVET) were reported to the House. The Chairperson said that the guidance and suggestions provided by the House on the Interim Reports needs to be consolidated and included in the preparation of the final reports. With regard to Proceedings of Question Time, a total of 7 Question Time sessions were conducted by the National Council in which the Hon'ble Prime Minister and six cabinet Ministers had participated.

With the conclusion of the 22nd Session of the National Council, the Chairperson announced the draft agenda in preparation for the 23rd Session. The Committees of the National Council were assigned the following works:

Committee	Work Distribution	Remarks
Good Governance Committee	1. Final Report on Review of Harmful Use of Alcohol in the Country	In continuation to the 22 nd Session of the National Council
	2. Annual Anti-Corruption Commission Report 2018	Annual Report
	3. Review the guideline for the appointment of the constitutional post holders	Issue identified during the Retreat Workshop at Paro in July 2018
Economic Affairs Committee	1. Budget Appropriation Bill for the Financial Year 2019-2020	Will be received from the National Assembly during the 2 nd Session of the Third Parliament
	2. Issues related to Fronting	Issue identified during the Retreat Workshop at Paro in July 2018
Social and Cultural Affairs Committee	1. Review the Lhengye Zhungtsho Act 1999	As decided during the Plenary Meeting
	2. Review issues related to Human Trafficking	Issue identified during the Retreat Workshop at Paro in July 2018
Natural Resources and Environment Committee	1. Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer	Received from the National Assembly after the 1 st Session of the Third Parliament
	2. Drafting of Impeachment Bill	As per the resolution of the previous National Council and as decided during the Plenary Meeting
Legislative Committee	1. Drafting of Entitlement Bill for the Cabinet Ministers and equivalent positions	As decided during the Plenary Meeting
Foreign Relations Committee	1. Air Service Agreement between the Royal Government of Bhutan and the Government of the United Arab Emirates	Received from the National Assembly after the 1 st Session of the Third Parliament
Special Committee	1. Final Report on Technical and Vocational Education and Training (TVET)	In continuation to the 22 nd Session of the National Council

The Chairperson said that that the National Council was able to successfully conclude its 22nd Session without any obstacles mainly due to the blessings of the Kenchog Sum and the protection of the Guardian Deities, the grace of Their Majesties and the prayers of the Clergy.

He also thanked all the Hon'ble members of the National Council and its Committees and the staff of the Secretariat for their contributions and support in ensuring the success of the Session. Similarly, he expressed his gratitude to the Department of National Properties for making all logistical arrangements during the Session; the Royal Bhutan

Police for providing security services; the Bhutan Broadcasting Service for live broadcast of entire Session proceedings; and all the other media firms for dissemination of news and information related to the Session.

Finally, the Chairperson offered prayers for the long life and prosperity of deeds of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, Her Majesty the Gyaltsuen, His Royal Highness the Gyalsey, Members of the Royal Family, His Holiness the Je Khenpo and the Clergy. He also prayed for prevalence of peace and prosperity in the country more than ever before.



(བཀྲིས་དོ།)

ཐི་འཇིན།

འབྲུག་གི་རྒྱལ་ཡོངས་ཚོགས་སྐྱེ།

Recommendations on ACC's Annual Report 2017 during 21st Session of the National Council :

The National Council,

Recalling that the Section 7 (1) of the Anticorruption Act of Bhutan 2011 states: “*The State shall, make adequate financial provisions for the independent administration of the Commission as a part of annual national budget*”

Noting that despite government's effort in stepping up budgetary support, the actual budget allocation for the ACC has decreased over the past years after conclusion of support from a donor partner;

Recognizing that ensuring adequate financial provision for the ACC at all times is essential for an effective functioning of the ACC;

Further Noting that complaints received over the past consecutive years show the following distinct trends:

- a) the complaints received against local governments are the highest;
- b) the types of complaints are mainly abuse of functions by public servants; and
- c) maximum number of complaints are from Thimphu and Chukha Dzongkhags; and

Considering that the current information on the complaints received could be further improved by providing a disaggregated data on the actual cases of corruption versus the total complaints received against each agency, and by taking into consideration the number of establishments under each category of agency while comparing among agencies on the number of complaints received.

Hereby, recommends:

- 1) The government to ensure that adequate financial resources are allocated to the ACC for its effective and efficient functioning, specifically for the 12th Five Year Plan period.
- 2) The ACC to reflect in its future annual reports, the following additional information with regard to the complaints received:
 - a. Incidences of actual corruption cases from among the total complaints received, and disaggregate such information by each agency/dzongkhag; and
 - b. The number of establishments under each category of agency (for example, 10 ministries under central government, and 205 gewogs under local government) to be taken into consideration while comparing the number of complaints received against various agencies.

Responses Received from Ministry of Finance

1. The government to ensure that adequate financial resources are allocated to the ACC for its effective and efficient functioning, specifically for the 12th Five Year Plan period.

The Ministry of Finance through Letter No. MoF/PPD/NC/9/2018/434 dated 2nd October 2018, responded that based on the proposal received from the ACC and the Budget Appropriation Bill passed by the Parliament, the ACC was provided budget as follows during the 11th FYP:

Nu. in million

FYs	Budget	Expenditure
2013-14	121.717	103.837
2014-15	96.979	84.888
2015-16	93.97	88.671
2016-17	140.782	130.596
2017-18	134.364	112.293
Total	587.812	520.285

During the 11th FYP, 6% of the total budget provided to the ACC was not utilized which indicates that ACC could carry out all their activities as per its mandate.

Further, in line with the existing planning and budgeting procedures, tentative outlay (capital) allocated for ACC during the 12th FYP is Nu. 75 million.

2. The ACC to reflect in its future annual reports, the following additional information with regard to the complaints received:
 - a. Incidences of actual corruption cases from among the total complaints received, and disaggregate such information by each agency/dzongkhag; and
 - b. The number of establishments under each category of agency (for example, 10 ministries under central government, and 205 gewogs under local government) to be taken into consideration while comparing the number of complaints received against various agencies.

The ACC responded that all these information will be included in its Annual Report and present it to the National Council during its Summer Session.