

# PARLIAMENT OF BHUTAN



## PROCEEDINGS AND RESOLUTIONS (TRANSLATED) OF THE SEVENTEENTH SESSION OF THE NATIONAL COUNCIL OF BHUTAN

(26<sup>th</sup> Day of the 4<sup>th</sup> Month to 18<sup>th</sup> Day of the 5<sup>th</sup> Month of the  
Fire Male Monkey Year Corresponding to 1<sup>st</sup> to 23<sup>rd</sup> June  
2016)



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# **Proceedings and Resolutions (Translation) of the 17<sup>th</sup> Session of the National Council of Bhutan**

*(Wednesday, 1<sup>st</sup> June 2016 corresponding to the 26<sup>th</sup> Day of the 4<sup>th</sup>  
Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **A. Proceeding for the Opening Ceremony**

The 17<sup>th</sup> session of the National Council of Bhutan commenced on 27<sup>th</sup> day of the 3<sup>rd</sup> month of Fire Female Rooster Year of the Bhutanese Calendar corresponding to June 1 2016. The opening session was presided over by the Hon'ble Chairperson with the offering of *marchang*.

## **B. Opening Address of the Hon'ble Chairperson**

The Hon'ble Chairperson, in his inaugural address, expressed that the Male Earth Monkey Year is celebrated as an auspicious year in the country since *Guru Rinpoche* was born in this year. He said that the year also marks 400 years of *Zhabdrung's* arrival in Bhutan and the 108 years of reign by our monarchs. He extended his gratitude to His Majesty the King, His Holiness the Je Khenpo, *Lamas, Truelkus* and the people for coming up with the grand celebration on this Birth Year of His Majesty the King and His Royal Highness the *Gyalsey*.

The Chairperson stated that Bhutanese Year is considered important because *Zhabdrung Rinpoche*, the root teacher of *Pelden Drukpa* arrived in Bhutan in Male Dragon Year signifying an auspicious sign to bring the country under his supremacy. He also stated that the year is important since the First King Gongsa Ugyen Wangchuck settled disputes between Tibet and British in the Wood Dragon Year, and the Third King was crowned in the Dragon Year.

The Hon'ble Chairperson expressed that the birth of His Royal Highness the *Gyalsey* in the mystic month to His Majesty the King who was also born in the mystic month and Her Majesty the *Gyaltsuen* who was born in the 4<sup>th</sup> month of lunar calendar was a good sign and a true reincarnation of the Buddha. He also expressed the prayers on behalf of the people for long lives of His Majesty the King, His Majesty the 4<sup>th</sup> King, HRH the *Gyalsey* and Her Majesty the *Gyaltsuen* and to flourish their services.

The Chairperson stated that His Majesty the King born in 1980 coinciding with the Metal Monkey Year, received red scarf in the Monkey Month and ascended the throne of *Chhoetse Poenlop* in Wood Male Year. He expressed his gratitude to His Majesty the King for personally carrying the sandal box to *Chari* (the seat from where the name of *Palden Drukpa* flourished) in this Monkey Year, after the birth of HRH the *Gyalsey*.

The Hon'ble Chairperson expressed gratitude on behalf of the people to His Holiness the *Je Khenpo*, Venerable *Dorji Lopen*, Dzongsar Jamyang Khentse Rinpoche and other religious bodies for presiding over religious activities and rituals in this auspicious year to alleviate sicknesses and disasters, and to flourish peace and harmony around the world and particularly in Bhutan.

The Chairperson informed the House that the agenda for the 17<sup>th</sup> Session are: deliberation on Bhutan Red Cross Society Bill and the presentation of the Annual Anti-corruption Commission Report which were reviewed by the Good Governance Committee, deliberation on Implementation Status of Acts and Illegal Immigrants which is looked after by the Legislative Committee, deliberation on Annual Budget and Appropriation Bill reviewed by the Economic Affairs Committee, Questions to Hon'ble Ministers of the

Government and discussion on those constituency issues that are deemed necessary. He extended his gratitude to the Hon'ble Prime Minister and all the concerned agencies for timely submission of responses to constituency issues forwarded to them by the National Council, and requested for the continued supports in the future to respond to constituency issues which cannot be deliberated in the House.

The Hon'ble Chairperson expressed his thanks to the concerned committees for working hard on the aforementioned agenda even during off-sessions. He also thanked the staff for discharging their duties to the committee without fail even though the secretariat had to function without the Secretary General and the Director. He stated that he is thankful to the former Secretary General and the Director of the National Council Secretariat who have served with utmost loyalty to fulfill the responsibilities of the National Council.

In concluding, the Chairperson reminded the Hon'ble Members to serve apolitically during their remaining term to fulfill the principles of the democracy instituted by His Majesty the 4<sup>th</sup> King and to achieve the aspirations of His Majesty the King. He also reminded the Hon'ble Members to work for review of legislative and policy issues for the landlocked country to remain independent and sovereign.

### **C. Implementation Report on the Resolutions of the 16<sup>th</sup> Session of the National Council**

The National Council during its 16<sup>th</sup> Session deliberated on few issues related to review of policies and submitted the recommendations to the Government and relevant agencies for implementation and assurances. The relevant committees of the National Council submitted the implementation reports as given in Annexure I.

The National Council thoroughly deliberated on the implementation report from 1/6/2016 – 3/6/2016 and on 22/6/2016. The National Council accepted most of the implementation report but resolved to further follow up on the the following sections for which assurances were already provided by the Government:

### **1. Tourism Council of Bhutan**

- 1) TCB will review National Tourism Policy after presenting their final review report to the Government.
- 2) The Tourism Bill will be tabled for legislation after finalizing the National Tourism Policy
- 3) TCB is in the process of reviewing the existing accommodation standardization and classification system by engaging an international expert to ensure quality and standards. All international tourists are mandated to stay in TCB-certified accommodation facilities.
- 4) A comprehensive research on the maximum carrying capacity is being planned and has to be conducted in next fiscal year by TCB.
- 5) A comprehensive tourism Development Plan for the eastern Dzongkhags has been developed. The recommendation of improving tourist related infrastructure along with reliable road and airport network has been covered in eastern circuit plan.
- 6) The minimum daily package rate constitutes an important part of Tourism Policy Review.



## **2. Ministry of Economic Affairs**

- 1) Review of Bhutan Sustainable Hydropower Development Policy 2008, Power System Master Plan 2003 and Electricity Act of Bhutan 2001
- 2) In conduct the review, the Royal Government has committed to address the following issues:
- 3) Draw-up clear strategies with implementation timeline needs so that the projects in the pipeline can include in it the translation of the intent and objective of national policies on both hydropower development and employment.
- 4) Amend section 4.2.5 of BSHDP 2008 by stating that the ownership of shares by Bhutanese and Bhutanese firms to be treated similarly as in the case of other investors and shares will need to be reverted back to the RGoB at the end of concession period, and further recommends the RGOB to ensure that ownership of hydropower sector remains with the state when the Electricity Act of Bhutan 2001 is tabled for amendment.
- 5) Address the discrepancy between the BSHDP 2008 and EDP concerning royalty energy contribution percentages that contradict one another.
- 6) Strengthen the national employment policies and laws, where MoLHR is mandated to take up lead in ensuring capacity building and absorption of Bhutanese in hydropower projects, given the dire situation of unemployment in the country and youth unemployment in particular.
- 7) Re-align Section 14.1 of BSHDP 2008 which provides discretionary power to the Government

to decide on hydropower development outside of a clearly stated policy. This is a great vulnerability and recognizing that anything outside of a clear policy or law will need the support of Parliament before being acted upon.

- 8) Revisit the differences in compensation paid to affected parties (private lands) between hydropower projects (generating station) and its ancillary works (like transmission lines and towers).
- 9) Recently, the Ministry has given the PFR and DPR works to GDPC who in turn engages its own people and the Bhutanese expertise to the extent possible. Efforts are being made to source services of Bhutanese firms and national wherever expertises are available within the country in line with the Procurement Rules and Regulations. The tender documents are specifically designed so that international firms have to collaborate with Bhutanese firms/nationals and are awarded certain additional points during tender evaluation. The Ministry considers this initiative as a priority and is being accordingly incorporated in the Economic Development Policy under review.

### **3. Ministry of Home and Cultural Affairs**

- 1) MoHCA to seek further directives from the Government to develop a consolidated National Decentralization Policy supplemented by a Strategic Decentralization Implementation Plan.
- 2) MoHCA to propose to Royal Government to consult GNHC to do the following: Devise a planning framework that will provide for more

tailor-made and in-depth development strategies and plans (yet aligning to the overall national priorities) for each Dzongkhag and Gewog, since a uniform approach, often issued by the central level is not necessarily adequate enough to solve local issues. Further, ensure that the Dzongkhag and Gewog administrations play more proactive role in defining a Development Vision for their own Dzongkhags and Gewogs and identify implement strategies that best suit the local needs.

- 3) DLG will continue to carry out additional advocacy programs through appropriate media to deepen awareness among the rural communities.
- 4) The Horizontal Learning Program (HLP) program for LG functionaries will be up-scaled to other Gewogs in the future.
- 5) DLG has initiated a pocket study to look into the possibilities of expanding revenue base of the Local Governments. The findings of the study would be presented to MoHCA for further directives.
- 6) DLG will collaborate with the National Statistical Bureau and relevant agencies to develop LG development-profiling tool.

#### **4. Ministry of Labour and Human Resource**

- 1) The Ministry already has a strategy paper for EDP prepared in 2015 with support from UNIDO.
- 2) MOLHR in collaboration with RNR Centers prepared over 20 project profiles in several Dzongkhags to engage youth in agriculture

- 3) Ministry of Agriculture and National Land Commission are studying various issues related to land lease procedures.
- 4) The Rural Development Enterprise will address many of the gaps in agriculture credit.
- 5) A Multi Stake Holder Meeting on Repositioning of the Two Colleges of Education was held in April 2016. The meeting has considered overall teacher demand, enhancement of quality of teachers and reforms, capacity development and professionalizing other services in education system. Projections are made up to 2020. Similar exercises are being carried out in other sectors as well.
- 6) A TVET Blue Print 2016-2026 has been published in May 2016 with technical and financial support from ADB. The blue print was prepared in consultation with stakeholders in 2015. It addresses most issues raised by the National Council.

*(Monday, 6<sup>th</sup> June 2016 corresponding to the 1<sup>st</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **D. Legislative Issues**

### **1. Introduction of Bhutan Red Cross Society Bill 2016**

The Member-in-Charge of the Bhutan Red Cross Society Bill, the Chairperson of the Good Governance Committee, Hon'ble Tashi Wangmo said that the need for a law related to Red Cross Society in the country is mainly because the issue related to Red Cross Society was started in 1863 through an adoption of Geneva Conventions and Bhutan has have been a signatory to it since 1991. Secondly, and the most compelling reason

is that Bhutan is highly vulnerable to various hazards such as earthquake and other natural calamities. Therefore, with the objective to protect and to provide health and other support services during such natural calamities, under the Command of Their Majesties, the King and the Queen, 8-member Steering Committee was formed to work on the establishment of the Bhutan Red Cross Society.

She said that the Red Cross Movement is promulgated and sustained through three organizations viz: the International Committee of the Red Cross (ICRC), the International Federation of Red Cross and Red Crescent (IFRC), and the National Red Cross and Red Crescent Societies. These organizations are mandated to protect and provide health services during armed conflicts, natural calamities and also during other emergencies. To activate the help and timely assistance to the Government from such international organizations during disasters and emergencies, the existence of the National Red Cross Society in Bhutan would be necessary.

She said that the Bill contains 11 Articles and covers the following in essence: the Bhutan Red Cross Society (BRCS) will be a not-for-profit organization that will work in the humanitarian field, functions of the BRCS will include disaster management and health services, the operation of the Society will largely be based on volunteerism, the State will provide adequate financial support for the sustainable management of the Society's Secretariat and the BRCS will mobilize funds through contributions from international organizations etc. She said that upon receiving of the Bill by the National Council, the Good Governance Committee has reviewed

the Bill and a motion for introduction of the Bill is submitted for consideration by the House.

On this, some of the members said that there is already a National Disaster Management Authority and agencies under the Department of Disaster Management to provide assistance during such disasters and therefore raised doubts on the co-ordination mechanism between the BRCS and them. In response, the Chairperson of the Good Governance Committee said that one of the core functions of the Society is to co-ordinate with the relevant agencies and provide assistance to the Government and the agencies in carrying out their responsibilities.

### **1.1. Deliberations on the Bill**

The National Council thoroughly deliberated on the Bhutan Red Cross Society Bill 2016 on 6/6/2016 and 10/6/2016. The following amendments and changes were made which shall be submitted to the National Assembly for deliberation in accordance with Article 13.5 of the Constitution of the Kingdom of Bhutan.

#### **Preamble (2<sup>nd</sup> and 3<sup>rd</sup> Paragraphs)**

WHEREAS, recognizing the **need for** ~~fact that~~ Bhutan ~~to should~~ be prepared for any type of disasters and emergency situation, and that any additional support from ~~any part of~~ society to the current disaster management system will complement the Government's earnest efforts;

AND WHEREAS, it is the duty of every individual to provide help, to the greatest possible extent, to the victims of accidents and in times of ~~natural calamity~~ **calamities**;

#### **Choejed; Last Sentence**

*Amended in Dzongkha*

**Article 3**

Objects **Objectives** and Functions

**Article 3, Section 1**

The **objectives** objects of the Society are:

**Article 3, Section 2**

In order to achieve the above **objectives** objects, the Society shall:

**Article 4, Section 3**

*Amended In Dzongkha*

**Article 7, Section 5**

The Society shall have its accounts prepared and audited at least once a year by the ~~Audit Committee~~. Further, its account shall also be subject to periodic auditing by the Royal Audit Authority of the Kingdom of Bhutan.

**Article 8, Section 1**

The assets of the Society, including its financial resources and real estate as well as the revenue from its income generating activities, shall be exempted from taxes and duties in accordance with regulations promulgated by the **Ministry of Finance** Department of Revenue and Customs.

**Article 10, Section 1**

*Amended in Dzongkha*

**Article 11, Section 1**

The amendment of this Act by way of addition, variation or repeal shall be effected by **Parliament** ~~a simple majority of the respective Houses or vote of not less than two third of the total members of the Parliament present and voting on a motion submitted by one third of the members of either Houses, provided that the amendment does not undermine the functions and effectiveness of the Society.~~

### **Article 11, Section 2**

In any instance of difference in meaning between the Dzongkha and the English texts of this Act, **the Dzongkha text shall be authoritative.** ~~each text shall be regarded as equally authoritative and the courts shall reconcile the two texts.~~

### **Voting details on the adoption of the Bhutan Red Cross Society Bill 2016**

Date: 10/6/2016; Time: 12:49 PM; Total Votes: 22; 'YES': 22; 'NO': 0; 'Abstain': 0

#### **The following voted 'YES':**

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Phuntsho
9. Hon'ble Tashi Dorji
10. Hon'ble Sangay Khandu (Samtse)
11. Hon'ble Jigme Rinzin



12. Hon'ble Nima
13. Hon'ble Kamal Bdr. Gurung
14. Hon'ble Rinzin Dorji
15. Hon'ble Kaka Tshering
16. Hon'ble Tharchen
17. Hon'ble Tempa Dorji
18. Hon'ble Pema Tenzin
19. Hon'ble Sonam Wangchuk
20. Hon'ble Kesang Chuki Dorjee
21. Hon'ble Karma Tshering
22. Hon'ble Jigme Wangchuk

*(Tuesday, 14<sup>th</sup> June 2016 corresponding to the 9<sup>th</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **2. Introduction of the Supplementary Budget and Appropriation Bill for the Financial Year 2015-16, Budget and Appropriation Bill for the Financial Year 2016-17 and Revised Taxes and Levies Bill of Bhutan 2016**

Hon'ble Finance Minister presented an extensive report on the National Budget for the Financial Year 2016-17 based on the Supplementary Budget and Appropriation Bill for the Financial Year 2015-16, Budget and Appropriation Bill for the Financial Year 2016-17 and Revised Taxes and Levies Bill of Bhutan 2016. He said that 2016 is an auspicious year coinciding with the birth of Ugyen Guru Rinpoche in the Monkey year, 400 years of Zhabdrung Rinpoche's arrival to Bhutan and historic year of prophetic birth of the Royal Highness the *Gyalsey*. In commemoration, allocation of budget for 4<sup>th</sup> year of the 11<sup>th</sup> plan is mainly targeted towards

realizing its goal of self-reliance and inclusive green socio-economic development.

Budget estimates for the Financial Year 2016-17 is Nu. 54,828.228 million including repayment of debt and giving of loans, out of which is divided into 49% for current expenditure and 51% for capital expenditure. It is estimated to get domestic revenue of Nu. 27,247.169 million and external grant of Nu. 14,338.693 million.

According to the proposal of respective agencies, budget appropriation is endorsed by the Ministry of Finance. In the current Financial Year, Nu. 7 million is allocated in each Dzongkhag as a Dzongkhag Development Grant to strengthen decentralization of power in the Local Government and enhance good governance. With an objective to developing education and enhance quality, Nu. 116.848 million is allocated for the professional development of teachers.

In relation to it, fiscal performance/operation, macro-economic performance and outlook of the country for the Financial Year 2014-15 was presented on issues related to the Royal Monetary Authority, State Owned Enterprises, Druk Holding and Investments, National Pension and Provident Fund, Trust Funds, Hydropower Development and Foreign Direct Investments. In the Financial Year 2014-15, total resources realized were Nu. 36,231.054 million against the total outlay of Nu. 34,334.354 million which covered all recurrent expenditures from the domestic revenue as required by the Constitution of Bhutan and fiscal policy of the Government. Similarly, with regard to macro-economy, increase of economic growth from 3.8% in 2014 to 5.2% in 2015 has benefitted service and industry sectors.

Along with it, in order to make taxation system fair, uniform and efficient, a motion was presented that the

Government has increased the income tax slab of the Personal Income Tax from Nu. 1,00,000 to Nu. 2,00,000 and revised taxation for medicines, books, mines and quarries.

On this, the Members of the Economic Affairs Committee sought clarifications and questioned on how did the Government consider responsibility and recommendations of the Finance Committee of the National Assembly, how does the Government examine indicators of the country's self reliance, what are its challenges and outcomes, whether the 11<sup>th</sup> Plan Mid Term Review report will be submitted to the Parliament or not, how did the Mid Term Review benefitted current budget, and in which activities did the program grants of the previous financial year were allocated, and where will the program grant of the current financial year be allocated.

In response, the Hon'ble Finance Minister said that main responsibility of the Finance Committee is to see legality and policy compliance of the budget and report it to the Government. He said that the Government has incorporated recommendations of the previous financial year. Though it is difficult to report immediately on the status of outcome of the self reliance, it is a positive indication from the increase in domestic revenue and reduction in deficits. The challenges are problems of less export and more import, non reception of grants on time, increase in expenditure and delayed generation of revenue due to non-commissioning of hydropower projects on time. Likewise, as the Mid Term Review Report is not yet finalized, it is impossible to incorporate in the current budget and there is also no definite system to present it to the Parliament. He responded that as program grants are expensed in budget deficit

areas, it is not possible to report on separate activities distinctively.

Some of the Hon'ble Members asked whether the Gewog and Dzongkhag Development Grant is an addition to the budget or not, whether there is procedure to utilize Dzongkhag Development Grant or not, to allocate sufficient budget for advocacy programs under the Anti Corruption Commission, how to procure Government vehicles, how to utilize teacher professional development fund in education and allocation of limited budget for Dzongkhags and Gewogs despite having majority of the population. In response, Minister of Finance said that Gewog and Dzongkhag Development Development Grant is an addition to their budget proposal and guideline to utilize Dzongkhag Development Grant is drafted by the Ministry of Finance and ready to be implemented. It was responded that budget proposal for advocacy programs of the Anti Corruption Commission was supported based on priority basis and with regard to procurement of Government vehicles, it will be procured for the Judiciary as per requirement. In education, professional development fund for teachers will be utilized by the relevant ministries based on the requirements.

The National Council deliberated extensively on the Supplementary Budget and Appropriation Bill for the Financial Year 2015-16, Budget and Appropriation Bill for the Financial Year 2016-17 and Revised Taxes and Levies Bill of Bhutan 2016 on 14/6/2016, 16/6/2016 and 17/6/2016 and resolved as follows:

### **2.1. Supplementary Budget and Appropriation Bill for the Financial Year 2015-16**

The National Council deliberated on the Supplementary Budget and Appropriation Bill for the Financial Year

2015-16 on 16/6/2016 and resolved with a following clarification:

### **1. Clarification on Inconsistency in Figures**

Section 3 of the Supplementary Budget and Appropriation Bill for the Financial Year 2015-16 reflects the revised total budget after the rationalization and the supplementary appropriation of Nu. 53,095.382 million. However, the revised budget is reflected as Nu. 49,712.783 million under Section 2.2 of Expenditure, Chapter 2 of the National Budget for the Financial year 2015-16 as reported by the Hon'ble Minister of Finance. A clarification was sought on reason for inconsistency in these two.

#### **Voting details on the adoption of Supplementary Budget and Appropriation Bill for the Financial Year 2015-16**

Date: 16/6/2016: 12:49 PM; Total Votes: 22; 'Yes': 22; 'No': 0; 'Abstain': 0

#### **Following voted, 'Yes':**

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Phuntsho
9. Hon'ble Tashi Dorji
10. Hon'ble Sangay Khandu (Samtse)
11. Hon'ble Jigme Rinzin

12. Hon'ble Jigme Wangchuk
13. Hon'ble Nima
14. Hon'ble Kamal Bdr. Gurung
15. Hon'ble Rinzin Dorji
16. Hon'ble Kaka Tshering
17. Hon'ble Tharchen
18. Hon'ble Tempa Dorji
19. Hon'ble Pema Tenzin
20. Hon'ble Sonam Wangchuk
21. Hon'ble Kesang Chuki Dorjee
22. Hon'ble Karma Tshering

## **2.2. Budget and Appropriation Bill for the Financial Year 2016-17**

The National Council extensively deliberated on the Budget and Appropriation Bill for the Financial Year 2016-17 on 16/06/2016 and 17/06/2016. It was resolved by submission of following recommendations and clarifications:

### **1. No. 6 Judiciary**

Relevant provisions of the Acts require providing legal aid services to an indigent accused. As it is ambiguous how these are practiced in order to enhance the system, for example, it was recommended to enact a regulation by utilizing budget to provide such services not only to an accused who is produced before the court of law but starting from an accused who is kept under legal custody. On this note, it was proposed to formulate measures to increase the supplementary from Nu. 0.050 million in this Financial Year.

### **2. No. 26 Tourism sector**

The Government revenue has increased remarkably due to tourism development in Bhutan. In order to specifically benefit gewogs, local villages and communities and further intending to conserve and maintain clean natural environment, it was recommended to assist gewogs and rural communities in developing basic tourism amenities by levying separate amount or other than the royalty paid to the Government.

### **3. No. 37 Ministry of Home & Cultural Affairs**

As it is accepted that religion and culture is indispensable in the country, priority is given to establishment and maintenance of *Dzongs* and *Lhakhangs*. Further, though budget is allocated in the Financial Year 2014-15 for renovating Lingzhi Dzong under Thimphu Dzongkhag which was destroyed by earthquake, it was asked on how it is utilized and as it is not included in the current budget, it was proposed to include it as priority.

### **4. No. 40 Ministry of Agriculture & Forest**

With an aim to increase agricultural production in the country, the Government allocates enormous fund under sectors of the Renewable Natural Resources every year. In order to yield a better result, targeting towards rural farmers who works tirelessly to stop damaging crops by the wildlife, though some places of the country is benefitted by the electric fencing, it was found that electric fencing does not have impact on elephants and wild boars in the southern regions. In order to protect these, it was recommended to search for alternate means by allocating separate budget.

### **5. No. 41 Ministry of Economic Affairs**

The Country has benefitted immensely because of hydropower and in addition it also generated huge revenue. However, as it is difficult to keep it sustainable it was recommended to prioritize on conserving alternate means of renewable energy by the Government in later years. For example, in order to prioritize on solar and wind energies, it was recommended to allocate sufficient fund and introduce renewable energy development fund according to the Alternative Renewable Energy Policy 2013.

## **6. General**

- 6.1. Allocation of Nu. 8.000 million budget under the Human Resource Development in Chapter 3 Section 3.5.13 of the National Budget for capacity building of the Royal Bhutan Police personnel is with an objective to mainly enhance capability of personnel serving in the area, to augment quality services, to encourage in providing the services and in general, it was allocated to share benefit among all police personnel. In Section 3.5.10 under the Law and Order, while it was supported to allocate a budget for the construction of residence for Police Officers, it was further recommended to allocate a budget to construct adequate quarters for general police, to enhance quality residence.
- 6.2. Allocation of Nu. 40.000 million budget in the General Reserve of the National Budget for hospitality and entertainment does not have any transparency and clarity. It was submitted to initiate auditing by the Royal Audit Authority for utilization of the budget.
- 6.3. In the General Reserve of the National Budget on activities relating to hiring of helicopter services,



with an objective of clarity and to make its system of utilization streamlined and formal, it was recommended that the Royal Audit Authority shall conduct audit.

- 6.4. According to the Article 9.8 of the Constitution of Bhutan for the balanced development of all Dzongkhags, it was submitted that all individual Dzongkhags shall record outcome of developmental activities and detailed accounts to ease during allocation of budget and to properly understand the pace of development.
- 6.5. Under chapter 3, section 3.5.15 of the National Budget on gender responsive budgeting, it was a question on how it was utilized by allocating in the previous financial year and accounts are not recorded clearly in the current financial year.

**Voting details on the adoption of Budget and Appropriation Bill for the Financial Year 2016-17**

Date: 17/6/2016: 12:19 PM; Total Votes: 18; 'Yes': 18; 'No': 0, 'Abstain': 0

**Following voted, 'Yes':**

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Dhan Bdr. Monger
5. Hon'ble Sonam Dorji
6. Hon'ble Sangay Khandu (Gasa)
7. Hon'ble Tashi Phuntsho
8. Hon'ble Tashi Dorji
9. Hon'ble Sangay Khandu (Samtse)

10. Hon'ble Jigme Rinzin
11. Hon'ble Nima
12. Hon'ble Kamal Bdr. Gurung
13. Hon'ble Rinzin Dorji
14. Hon'ble Kaka Tshering
15. Hon'ble Tharchen
16. Hon'ble Nima Gyeltshen
17. Hon'ble Kesang Chuki Dorjee
18. Hon'ble Karma Tshering

## **2.3. Revised Taxes and Levies Bill of Bhutan 2016**

The National Council deliberated on the Review of Taxes and Levies Bill of Bhutan 2016 on 17/06/2016. It was resolved to present following recommendations along with the adopted proposal to revise taxation which shall be submitted to the National Assembly for re-deliberation.

### **1. Chapter 2. Section 6.**

The National Council agrees on the Government's proposal to revise the limit for basic annual exemption of the Personal Income Tax (PIT) slab from Nu 100,000 to Nu 200,000. In order to achieve the Governments' goal of self reliance, target of renewable socio-economic development, eradicate the differences between haves and haves not, and to achieve an aim of covering all current expenditures from the domestic revenue, following additions are made:

#### **Annexure 1**

##### **Tax rates:**

**The tax rates for personal income shall be:**

<b>Taxable Income</b>	<b>Tax rate</b>
Where the total net taxable income does not exceed Nu. 2,00,000	Nil
Where the total net taxable income exceed Nu. 2,00,000 but does not exceed Nu. 2,50,000	10% of the amount by which the total net taxable income exceeds Nu. 2,00,000
Where the total net taxable income exceed Nu. 2,50,000 but does not exceed Nu. 5,00,000	Nu. 5000 plus 15% of the amount by which the total net taxable income exceeds Nu. 2,50,000
Where the total net taxable income exceed Nu. 5,00,000 but does not exceed Nu. 1,00,000	Nu. 42,500 plus 20% of the amount by which the total net taxable income exceeds Nu. 5,00,000
Where the total net taxable income <b>exceed</b> Nu. 1,00,000 <b>but does not exceed Nu. 2,00,000</b>	Nu. 1,42,500 plus 25% of the amount by which the total net taxable income exceeds Nu.1,00,000
<b>Where the total net taxable income exceeds Nu. 2,00,000</b>	<b>30%</b>

Note: additional proposals are made in bold letters

## **2. Chapter 2. Section 7**

The National Council agrees on the Governments' review on the increase of annual education expenses for individual student from Nu. 50,000 to Nu. 150,000 and exemption of tax, which would benefit those students studying in private schools of the Country and abroad. However, students studying in Government schools get exemption of Nu. 5,000 without requiring financial account according to the scheme. With economic development and increase in inflation, it was recommended to increase it to Nu. 15,000 and provide exemption.

## **3. Chapter 4. Section 10**

While it is accepted on the Governments revision on the royalty and mineral rent for the mines and mainly for increasing the tax rate. With regard to the system of levying tax, for example, as a supporting document, in the Section 1, Export Floor Price, Graph 8 of the additional attachment, it is stated as Nu. 405 per metric tonne for construction materials. However, the price fetched in general is between USD 16 and USD 18 while exporting to Bangladesh. As there is a huge difference between taxation and income, Government gets less from the tax and the income for private is more. In order to make these two consistent, it was recommended if there is possibility to levy tax based on Average Selling Price than on Export Floor Price.

### **Voting details on the adoption of Revised Taxes and Levies Bill of Bhutan 2016**

Date: 17/6/2016: 12:54 pm; Total Votes: 18; 'Yes': 18; 'No': 0; 'Abstain': 0

#### **Following voted, 'Yes':**

1. Hon'ble Tashi Wangyal

2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Dhan Bdr. Monger
5. Hon'ble Sonam Dorji
6. Hon'ble Sangay Khandu (Gasa)
7. Hon'ble Tashi Phuntsho
8. Hon'ble Tashi Dorji
9. Hon'ble Sangay Khandu (Samtse)
10. Hon'ble Jigme Rinzin
11. Hon'ble Nima
12. Hon'ble Kamal Bdr. Gurung
13. Hon'ble Rinzin Dorji
14. Hon'ble Kaka Tshering
15. Hon'ble Tharchen
16. Hon'ble Nima Gyeltshen
17. Hon'ble Kesang Chuki Dorjee
18. Hon'ble Karma Tshering

*(Thursday, 9<sup>th</sup> June 2016 corresponding to the 5<sup>th</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **E. Issues related to Review of Policies**

### **1. Issues related to Foreign Workers and Illegal Immigrants**

The Chairperson of the Legislative Committee, Hon'ble member of Samtse Dzongkhag said that issues related to foreign workers and illegal immigration was identified as a matter of national importance in a workshop held in Paro in July, 2014. The Legislative Committee was assigned by the National Council to undertake the

responsibility on the issue. Subsequently, relevant Acts and Rules, previous National Assembly Resolutions were reviewed, had consultation meetings with Ministry of Home & Cultural Affairs, Ministry of Labour & Human Resources and relevant Departments. Further, the Committee carried out field visits to two Dzongkhags of Phuentsholing and Samtse and had consultation with the relevant stakeholders.

Initially, foreign workers were immigrated during the road construction of Phuentsoling and Thimphu highway due to lack of skilled man-power in the country. Subsequently, industries and other services also recruited. However, due to possible risk due to foreign workers, the 34<sup>th</sup> Session of the National Assembly in 1971 decided not to allow any private parties to import foreign workers other than the Public Works Department and DANTAK. Further in 1972, the 36<sup>th</sup> Session of the National Assembly approved the draft Rules and Regulations pertaining to labourers in towns and industrial areas and also the number of foreign workers in the country at 30,000. In 2000, Lhengye Zhungtshog increased additional 15000 to maintain maximum number at 45000, which is still unchanged and should be abided today.

Likewise, illegal immigrants refer to those who illegally reside in the country, misuse the permit, overstay the validity of permit, by-pass immigration check points and do not possess documents. There are also illegal immigrants in the form of baby sitters, maids, salespersons etc. It is very difficult to inspect and arrest them and therefore, the Legislative Committee submitted that tax should be imposed on foreign workers, foreign projects should abide by the domestic laws of Bhutan and to initiate preventive measures.

In addition, members of the Legislative Committee submitted the Committee's observations and assessment report on issues ranging from maximum ceiling on numbers of foreign workers and foreign workers without work permits, day workers without work permits, adequacy of existing laws and regulations, high influx of regional tourists, challenges faced by law enforcement agencies, non-repatriation of foreign workers and traders' direct and indirect dependents. According to the statistics of the Department of Labour, number of foreign workers has reached to 48675 on 6<sup>th</sup> April 2016, exceeding the maximum ceiling of the foreign workers. With regard to non possession of work permit, Ministry of Labour & Human Resources estimated that there were about 3000 foreign workers employed by project DANTAK, 2000 by IMTRAT and around 20,000 foreign day workers in the border towns. It was further reported that there may be persons staying as a baby sitters and maids in individual private households and also as salespersons.

Thus, the Legislative Committee during its review on adequacy of laws and regulations, specially, Immigration Act and Labour Act, it was found relevant rules and regulations have covered properly. However, it was reported that lack of awareness, lack of proper implementation and non compliance of laws by some of the projects posed challenges. Likewise, there is a problem between regional tourists and immigration officials. It was reported that though there are problems of not coming through domestic tourist agents, the system of online registration hopes to solve the problem.

Similarly, major challenges faced by law enforcement agencies like Department of Immigration and Department of Labour are sheer lack of appropriate

working space, shortage of manpower, transport facilities, inadequate service counters and lack of professionalism and training etc. Further, some immigration officials also reportedly received security threats to their own lives while shouldering the responsibility. In addition, it was also reported that non-repatriation of workers by the foreign projects after the completion of their projects is a national concern and traders' direct and indirect dependents were also found to be illegal.

The National Council deliberated extensively on issues related to Foreign Workers and Illegal Immigrants on 9/6/2016, 10/6/2016 and 21/6/2016 and resolved as follows:

The National Council,

1. *Noting* that the ceiling for foreign workers in the country varied between 30,000 and 45,000;

*Realizing* that the current ceiling was conveniently ignored as the number of foreign workers in the country exceeded the approved ceiling; and

*Considering* that this has severe consequence on our national security,

Hereby calls upon the Royal Government to;

- 1.1 State its position on the foreign workers ceiling which has been exceeded, and
- 1.2 Urgently review foreign workers ceiling by taking into consideration all ongoing and planned major hydropower projects as well as other major infrastructure development activities in the country. This must be accompanied by a pragmatic plan to



gradually reduce and replace foreign workers by the Bhutanese people.

2. *Noting* that there are about 20,000 estimated day workers without work permit in the border towns and there are also evidences of foreign workers in the form of baby sitters and maids without work permits in the country; and

*Further noting* that there are also indirect dependants of Indian traders staying in the country as joint family without any permits,

Hereby calls upon the Royal Government to;

- 2.1 Bring all foreign Day Workers within the purview of Labour and Immigration laws, and
  - 2.2 Strictly enforce the prevailing laws on other illegal immigrants.
3. *Acknowledging* the role of Project DANTAK in Bhutan's socio-economic development and of the excellent co-operation between Royal Bhutan Army and IMTRAT;

*Considering* that it is important to build upon such excellent relationship; and

*Concerned* that there are foreign workers without work permits recruited by Project DANTAK and IMTRAT numbering about 5000 working in the country which is not in conformity with the prevailing laws of the Kingdom,

Hereby draws the urgent attention of the Royal Government to;

- 3.1 Mainstream the non-uniformed foreign workers of Project DANTAK and IMTRAT under the prevailing laws.
4. *Confirming* that the following are the challenges faced by the law enforcement agencies like Department of Immigration and Department of Labour:
- a) sheer lack of appropriate working space,
  - b) shortage of manpower,
  - c) inadequate transport facilities,
  - d) inadequate service counters,
  - e) lack of professionalism and training,
  - f) weak network connectivity, and
  - g) lack of equipment to detect fake Indian voter cards;

*Considering* the critical need for adequate resources in view of opening of new highways along southern Bhutan's border; and

*Further considering* that the long stretch of porous border in the south and the magnitude of illegal workers and immigrants cannot be under estimated which could pose grave threat to our own security in future if left unchecked,

Hereby recommends the Royal Government to;

- 4.1 Urgently address the issue of much-needed additional manpower, infrastructure and other facilities required by law 6 enforcement agencies in existing check points, out posts and newly opened roads along the border on priority basis in the interest of national and personal security as well as to curb interferences from both internal and external agencies.

**Voting details on the adoption of recommendation on Issues  
Related to Foreign Workers and Illegal Immigrations**

Date: 21/6/2016: 10:29 AM; Total Votes: 19; 'Yes': 19; 'No': 0; 'Abstain': 0

**Following voted, 'Yes':**

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Dorji
9. Hon'ble Sangay Khandu (Samtse)
10. Hon'ble Jigme Rinzin
11. Hon'ble Nima
12. Hon'ble Kamal Bdr. Gurung
13. Hon'ble Rinzin Dorji
14. Hon'ble Tharchen
15. Hon'ble Tempa Dorji

16. Hon'ble Pema Tenzin
17. Hon'ble Nima Gyeltshen
18. Hon'ble Kesang Chuki Dorjee
19. Hon'ble Karma Tshering

*(Friday, 10<sup>th</sup> June 2016 corresponding to the 6<sup>th</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **2. Motion to Enact a Law on Issue Concerning Ownership of Assets and Accounts Abroad by Bhutanese Citizens**

The Chairperson of the Economic Affairs Committee, Hon'ble member of Dagana Dzongkhag said that with the rapid socio-economic development in the country, Bhutanese citizens holds individual accounts and assets abroad illegally. Considering the risks involved to the country and economy, a regulation on this was adopted in 72<sup>nd</sup> session following the deliberation of 52<sup>nd</sup> session of National Assembly in 1980.

According to Articles 8.8, 8.9, 9.7 and 14.15 of the Constitution of Bhutan, though there are laws on Regulations Relating to the Possession of Asset and Properties Outside Bhutan by Bhutanese Citizens and Foreign Exchange Rules and Regulations, according to the record of the Ministry of Finance and the Royal Monetary Authority, there was not even a single Bhutanese until now who applied for holdings in foreign country. However, as there is huge difference according to the record of income from export and import, it was reported that there is a big concern that Bhutanese may have unlawful holdings in foreign country.

Therefore, it was submitted that with an objective to enhance transparency, curb corruption and prevent tax evasions, the Government must draft a bill relating to

ownership of individual income and related assets by Bhutanese citizens abroad.

On this, after supporting the proposal by the Hon'ble Members, it was resolved to submit the following detailed motion to the Government.

The National Council,

1. *Upholding* its mandates enshrined in the Constitution (Article 10.2 and Article 11.2) and in the National Council Act of the Kingdom of Bhutan 2008 (Chapter 2, Sections 7 and 10) as a House of Review;
2. *Respecting* the Constitution in particular adhering to the following provisions: Article 8.8, Article 8.9, Article 9.7, Article 14.15, among others;
3. *Recalling* the wisdom behind the major concerns expressed by the erstwhile National Assembly members (in the 52nd Session in 1980 and 92nd Session in 1993) on the negative consequences of Bhutanese citizens illegally moving and holding their wealth outside Bhutan through ownership of accounts and assets abroad;
4. *Recognizing* that existing Regulations Related to the Possession of Assets and Properties outside Bhutan by Bhutanese Citizens 1993, are neither being enforced nor being observed;
5. *Conscious* that the problem citizens of one country holding undisclosed and illegal income and assets abroad has caused global as well as regional economic and political problems; and
6. *Acknowledging* that Bhutan also faces the risk of the negative consequences of these activities due to further economic liberalization policies;

Hereby calls on the Royal Government to:

1. Urgently table a Bill in the next session of Parliament on the Ownership of Assets and Accounts Abroad by Bhutanese Citizens to enhance transparency, curb corruption and prevent tax evasion and other business malpractices, etc., while at the same time facilitating legitimate business transactions.

**Voting details on the adoption of motion to Enact a Law on Issues Concerning Ownership of Undisclosed Assets and Accounts by Bhutanese Citizens Abroad**

Date: 10/6/2016: 3:45 PM; Total Votes: 22; 'Yes': 22; 'No': 0, 'Abstain': 0

**Following voted, 'Yes':**

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Phuntsho
9. Hon'ble Tashi Dorji
10. Hon'ble Sangay Khandu (Samtse)
11. Hon'ble Jigme Rinzin
12. Hon'ble Nima
13. Hon'ble Kamal Bdr. Gurung
14. Hon'ble Rinzin Dorji
15. Hon'ble Kaka Tshering

16. Hon'ble Tharchen
17. Hon'ble Tempa Dorji
18. Hon'ble Pema Tenzin
19. Hon'ble Sonam Wangchuk
20. Hon'ble Kesang Chuki Dorjee
21. Hon'ble Karma Tshering
22. Hon'ble Jigme Wangchuk

*(Monday, 20<sup>th</sup> June 2016 corresponding to the 15<sup>th</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

### **3. Report on Implementation Status of Acts Passed by the Parliament**

The Chairperson of the Legislative Committee, Hon'ble member of Samtse Dzongkhag submitted the report on the implementation status of Acts passed by the Parliament as per the resolution of the 35<sup>th</sup> Plenary of the National Council and in accordance with the mandate provided by section 7 and section 10 (c) of the National Council Act.

He said that from the total of 36 Acts passed by the Parliament since 2008, the Legislative Committee carried out comprehensive review of 28 Acts. The Committee had conducted consultative meetings with relevant agencies and also collected additional informations while reviewing the Acts. It was found that agencies have taken anywhere from five months to six years to implement the Act which was passed by the Parliament. The major reasons attributed to the delay in implementation were inadequate human resources and budget, delay in establishment of office, time taken for comprehensive research works, translations and consultative meetings and delay in adoption of rules and regulations etc.

He also submitted that while the rules and regulations for Tenancy Act 2015 and Local Government Members' Entitlement Act 2015 are currently in draft stage, the Bhutan Education City Act 2012 and the Alternative Dispute Resolution Act 2013 have not been implemented so far. Moreover, he said that even if the Acts are implemented, it still causes huge problem to the people due to discrepancy in interpretation of sections in the Acts in the Dzongkhags and in different regions.

In addition, some members submitted that there is a need to fix time limit for formulation of rules and regulations, to repeal those Acts deemed redundant and obsolete by the Parliament, to submit and distribute the rules and regulations to Parliament and other agencies after formulation, to provide clear directives on who is responsible to draft the rules and regulations with regard to Private Members' Bill, to issue public announcement through print and broadcast media after adoption of an Act and to urgently implement the Alternative Dispute Resolution Act 2013.

The National Council thoroughly deliberated on the Implementation Status of Acts Passed by the Parliament on 20/6/2016 and 22/6/2016, and resolved as follows:

The National Council,

*Upholding* the mandate provided under Section 10 (c) of the National Council Act, which states “*In exercising its review function, the National Council shall review implementation of resolutions and laws*”;

*Respecting* Article 13 (1) of the Constitution of the Kingdom of Bhutan which states that “*A Bill passed by Parliament shall come into force upon Assent of the Druk Gyalpo*”;



*Concerned* that agencies have taken anywhere from five months to six years, averaging at least two years, to frame and adopt Rules and Regulations following an enactment of an Act thus resulting in inordinate delay and discrepancy in the implementation of the clauses that require subordinate legislations;

*Further concerned* that agencies reported inadequacy of human resources, budget and infrastructure for the delay in adoption of Rules and Regulations;

*Noting* that some Acts have not been implemented at all after their enactment;

Hereby, recommends the Government and other agencies to:

1. Simultaneously draft required Rules and Regulations or By-laws of a Bill that is being tabled in Parliament so that the Bill once passed by Parliament and receives Royal Assent can be immediately and uniformly implemented;
2. Provide financial memorandum along with the Bill to ascertain the cost implication;
3. Inform the relevant agencies, Parliament and the public about any subsequent amendment of Rules and Regulations made as a result of amendment of an Act;
4. Respect the date of Royal Assent as the commencement date of any Act;
5. Immediately issue public announcement through print and broadcast media about the commencement of implementation of Acts from the date of grant of Royal Assent;

6. Conduct advocacy and awareness program among the general public on the content of Acts and their Rules and Regulations or By-laws;
7. Provide adequate budget, human resources and infrastructures to effectively implement the Acts;
8. Submit to Parliament, for the purpose of repeal, those Acts deemed redundant and obsolete; and
9. Urgently establish the Alternative Dispute Resolution Center as per The Alternative Dispute Resolution Act of Bhutan 2013.

**Voting details on the adoption of Recommendations on the  
Report on Implementation Status of Acts Passed by the  
Parliament**

Date: 22/6/2016; Time: 9:58 AM; Total Votes: 22; 'YES': 22; 'NO': 0; 'Abstain': 0

**The following voted 'YES':**

1. Hon'ble Tashi Wangmo
2. Hon'ble Phuntsho Rapten
3. Hon'ble Pema Dakpa
4. Hon'ble Dhan Bdr. Monger
5. Hon'ble Sonam Dorji
6. Hon'ble Sangay Khandu (Gasa)
7. Hon'ble Tashi Phuntsho
8. Hon'ble Tashi Dorji
9. Hon'ble Sangay Khandu (Samtse)
10. Hon'ble Jigme Rinzin
11. Hon'ble Nima
12. Hon'ble Kamal Bdr. Gurung
13. Hon'ble Rinzin Dorji

14. Hon'ble Kaka Tshering
15. Hon'ble Tharchen
16. Hon'ble Tempa Dorji
17. Hon'ble Pema Tenzin
18. Hon'ble Sonam Wangchuk
19. Hon'ble Nima Gyeltshen
20. Hon'ble Kesang Chuki Dorjee
21. Hon'ble Karma Tshering
22. Hon'ble Jigme Wangchuk

*(Tuesday, 7<sup>th</sup> June 2016 corresponding to the 3<sup>rd</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **F. Issues related to Annual Reports**

### **1. Report on the Annual Anti-Corruption Commission Report 2015**

The Chairperson of the Good Governance Committee, Hon'ble Tashi Wangmo said that following the receipt of the Annual Anti-Corruption Commission Report 2015 by the National Council, it was reviewed by the Good Governance Committee. She said that the Committee had thorough discussions with the relevant agencies such as the Anti-Corruption Commission (ACC), Office of the Attorney General (OAG), Royal Audit Authority (RAA) and Officials from the Judiciary while carrying out the review work. She submitted that the report mainly consisted of three parts: the Anti-Corruption Commission's prioritized policies, annual performance and the Committee's observations and recommendations.

She reported that the Commission's priorities are also categorized into immediate and long term priorities. The immediate priorities are organizational re-structuring

and human resources issues, operationalizing Investigation Management System, professionalizing internal operations and enhancing co-ordination and networking with critical key partners. The long term priorities are branding ACC as an employer of choice, financial security, reducing backlog of complaints, conflict of interest management, engagement with youth and media, professionalize and enhance management of complaints and investigations and enhancing prevention and awareness programs.

Similarly, other members of the Committee submitted the performance report of the Anti-Corruption Commission for the period of nine months, after the new appointment of the Chairperson and the Commissioners. The performance report is based on the core functions of the ACC: public education and prevention, implementation of National Integrity and Anti-corruption Strategy (NIACS) and complaints and investigations. In relation to public education, they submitted that awareness programs were conducted in public procurement, administration, code of conduct and professionalism etc. and behavioral change programs were conducted in co-ordination with some agencies. In relation to prevention, they submitted that systemic studies were conducted on human resources management and mining sector and reactive studies were conducted with the aim to strengthen systems related to trade, tax and customs.

Likewise, performance on the implementation of National Integrity and Anti-corruption Strategy (NIACS) such as enhancement of judicial integrity in the Judiciary, private sector integrity program and social accountability were also reported. With regard to complaints and investigations, it was found that from a total of 283 complaints received in the past nine

months, complaints on “Abuse of Functions” by public servants are predominant comprising 45.6%; allegations of “Embezzlement” are the second highest at 20.8% while the lowest is “Bribery” with 2.5%. It was also reported that, from a total of 283 complaints received, 42 complaints qualified for investigation, 18 complaints qualified for discreet inquiry, 150 complaints were shared with agencies either for sensitization or administrative inquiry and 72 complaints were dropped or stored in database.

According to Transparency International Corruption Perception Index (TI-CPI) 2015, Bhutan is ranked 27<sup>th</sup> out of 168 countries and in comparison to TI-CPI 2014, Bhutan’s position has increased by three places. In the Asia Pacific Region, Bhutan’s rank has sustained its 6<sup>th</sup> position from 2012 onwards. Along with this, the Committee also submitted its additional recommendations on issues related to complaints management, seizure of movable properties and implementation of the court’s judgment.

On this, most of the Hon’ble members expressed their gratitude to the former Chairperson and Commissioners of the ACC for achieving successful results and said that the current new Commission will also continue and carry on the good work. In addition, it was also submitted that issues such as establishment of transparent public assets system, corrupt practices in selection of leaders, prospect of reviewing the Public Finance Act in relation to financial security, prioritization of issues related to policies, professionalization and enhancement of Human Resources Development (HRD) in the Constitutional Institutions and prospect of reviewing the Acts related to mining etc. should also be included as recommendations.

The National Council comprehensively deliberated on the Annual Anti-Corruption Report 2015 on 7/6/2016, 8/6/2016 and 21/6/2016 and resolved as follows:

The National Council,

Noting that

Out of 283 complaints received from April-December 2015, more than 25% of the complaints were dropped either due to lack of adequate information furnished by the complainant or the complaints had no element of corruption, which consequently, neither addresses the problem of a complainant nor helps the ACC in curbing corruption;

Although there is an established protocol for seizure of properties, the practice of recording specifications and quantity of the valuable properties, and putting counter signatures on the documents seized are not in place, which not only leaves room for potential tampering of the documents and misplacement of properties but could also result in unnecessary false allegations against each other later on.

Concerned that

Despite the establishment of Judgment Implementation Cell under the Office of Attorney General, effective implementation of the court's judgments is still a challenge as there are judgments which have long been pronounced by the courts but the proceeds of the crime are yet to be restituted or recovered;

Owing to an electorate-based system of elections, Bhutan is prone to policy corruption, which is not only subtle and complex to deal with but can have a far reaching detrimental effect on the socio-economic

progress of the Country if left unchecked right from the beginning;

Despite its potential to contribute substantially to the economic development and growth of the Country, the Mining Industry is highly prone to corruption due to weak and outdated laws, and inefficient management of the sector.

Considering that an IT-based information sharing system among oversight institutions, tax authorities, and property registration authorities would enable ACC have a direct access to records of an individual's properties, liabilities, and tax contributions, and that the system can be programmed in such a way that will automatically red-flag any irregularities detected on an individual's assets holdings, rather than seeking information based on the complaints received; and

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

Hereby,

1. Recommends the ACC to:

- a) Educate the public on the kind of information that are mandatorily required to be furnished while lodging a complaint, and the importance of substantiating the complaints with evidence;
- b) Strengthen the procedure for seizure of properties for better transparency and accountability;
- c) Ensure effective implementation of the pending court judgments in collaboration with the OAG;
- d) Identify potential areas of policy corruption in our democratic set up and suggest measures to

prevent it, and include it in the Annual ACC report next year; and

- e) As an extension to already existing online AD system, develop an integrated IT based information system that will facilitate automatic sharing of information on properties, liabilities and tax contributions, and a report on the status of it be submitted by the winter session of the Parliament.
2. Calls upon the attention of the Government to urgently implement all pending court judgments on the corruption cases.
  3. Resolves that the National Council:
    - a) Conducts an indepth study on financial security strategies for the ACC.

**Voting details on the adoption of Recommendations to the  
Annual Anti-Corruption Report 2015**

Date: 21/6/2016; Time: 10:12 AM; Total Votes: 19; 'YES': 19; 'NO': 0; 'Abstain': 0

**The following voted 'YES':**

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Dorji
9. Hon'ble Sangay Khandu (Samtse)



10. Hon'ble Jigme Rinzin
11. Hon'ble Nima
12. Hon'ble Kamal Bdr. Gurung
13. Hon'ble Rinzin Dorji
14. Hon'ble Tharchen
15. Hon'ble Tempa Dorji
16. Hon'ble Pema Tenzin
17. Hon'ble Nima Gyeltshen
18. Hon'ble Kesang Chuki Dorjee
19. Hon'ble Karma Tsheirng

*(Tuesday, 21<sup>st</sup> June 2016 corresponding to the 16<sup>th</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **G. Any Other Business**

The National Council was established in the year 2008 and even after almost 8 years of coming into existence, it was still not able to implement the provision of section 137 of the National Council Act 2008. Therefore, today in the 17<sup>th</sup> Session of the National Council, the procedure to conduct an additional debate in the National Council was initiated for the first time due to the unsatisfactory responses received from the Hon'ble Minister for Economic Affairs and Hon'ble Minister for Education during the proceedings of Question Time.

### **1. Motion to Review the Education Policy and Strategies**

In the 8<sup>th</sup> sitting of the 17<sup>th</sup> Session of the National Council held on 10/6/2016, using the Parliamentary Device of Interpellation, the National Council conducted a Question Time session with the Hon'ble Minister for Education on education related issues. During the

proceedings of Question Time, the answers received from the Hon'ble Minister were found unsatisfactory and in general it was identified that the education policy needs to be reviewed entirely. Therefore, an additional debate was conducted for the first time in the National Council which was participated by the Hon'ble Minister and Officials from the Ministry of Education.

The Hon'ble member of Gasa Dzongkhag said that acknowledging His Majesty's reiteration on the importance of education in the country and for taking into consideration the concerns of the Government and the people, the National Council raised questions to the Hon'ble Minister for Education on issues related to non-teaching staff in schools, contract teachers and maternity leave for teachers during the proceedings of question time. He said that the answers received from the Hon'ble Minister were not exhaustive. On one hand, the education sector requires 1500 additional teachers to improve the quality of education. On the other hand, some teachers who have successfully completed teaching training are still unemployed. He submitted that there is a contrast between the two issues.

Therefore, the National Council submitted a motion to review issues such as inclusion of local and regional civics in school curriculum, improvement of language standard in teaching, adequacy of teachers with regard to human resources development of teachers, human resources policy, balance in responsibilities, placement of specialized teachers in their respective fields, resource allocation in education sector: central schools and non-central schools, child care centres and non-formal education centres, selection of best schools with regard to quality of education and wholesome education etc.

On this, most of the Hon'ble members said that the following issues should also be included for review: drafting of a policy so that teaching profession becomes the first career option for the teachers, encouragement in taking up teaching profession, private school establishments to focus on quality rather than be business oriented, retention of experienced and specialized teachers from resigning, acknowledgement of mismatch of school curriculum and placement of teachers, drafting of an Act related to education, allocation of central schools and making separate opportunities for such teachers, no implementation of the maternity leave for teachers as per the objective, acknowledgement of issues related to youth development, making strict discipline in schools and making changes in teacher transfer procedures etc.

To this, the Hon'ble Minister for Education expressed his gratitude to everyone on behalf of the Ministry of Education for having concern on the improvement of quality of education. He said that one thing we must also recognize is the fact that the educated lot we have today is mainly due to the good quality of education in the past. However, with changing times, development of the country and according to the international standards requirement, the quality of education in the country also needs to be changed. On the other hand, the Education Ministry is facing major challenges such as taking up of education opportunities and providing equal opportunities, difficulty faced by Institutions in employment of teachers as per their policies and heaviness in teaching responsibilities etc.

Therefore, he submitted that the establishment of central schools by the Government in order to merge many different schools in the country will benefit in the improvement of quality of education. He said that while

the curriculum of the schools needs to be changed according to the situation, some subjects are currently being reviewed to be taught in Dzongkha. With regard to human resources policy for the teachers, he said that the Ministry of Education has carried out comprehensive research on transfers, working environment, development of education and balance in responsibilities to resolve the problems. Moreover, in relation to imposing strict discipline in schools, he said that a research showed passive teaching and not corporal punishment benefitted more to children who are in knowledge development stage.

The National Council deliberated at length on the Motion to Review the Education Policy and Strategies on 22/6/2016 and resolved to form a Special Committee for Education comprising of Hon'ble member of Trongsa, Hon'ble member of Bumthang, Hon'ble member of Gasa, Hon'ble member of Pemagatshel and Hon'ble Phuntsho Rapten. The Special Committee will carry out comprehensive review mainly on sections related to making teaching as first career option and development of human resources for the teachers. With regard to curriculum, the Committee will also carry out comprehensive review on sections such as making sound and adequate curriculum, making strategies on teaching about village and rural conditions and making some subjects to be taught in Dzongkha. With regard to students, the Committee will review sections related to discipline, youth development and improvement of quality of knowledge. Likewise, the Committee will also review the sections related to difference in allocation of resources in the central schools and other general schools, improvement of quality and the need to review the policy. It was also resolved that the Committee will submit the review report in the next Session of the National Council.

*(Thursday, 23<sup>rd</sup> June 2016 corresponding to the 18<sup>th</sup> Day of the 5<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **2. Issues Related to State Mining Corporation**

The National Council conducted a Question Time session on issues related to mining with the Minister for Economic Affairs in the current Session on 8/6/2016. The responses received from the Hon'ble Minister on the issues were not exhaustive. Therefore, in accordance with Chapter 8, section 137 of the National Council Act 2008, an additional debate was conducted which was participated by the Hon'ble Minister and Officials from the Ministry of Economic Affairs.

Hon'ble member Tashi Wangyal said that mines and mineral resources are main properties of the country and the rights over it vests with the people of Bhutan. However, according to the news and reports, it was reported that performance audit reports were conducted due to corruption in the agencies. Keeping in mind the issues, the National Council had earlier submitted recommendations to the Government. The Government had established a State Mining Corporation as per the recommendation, but the responsibilities of the State Mining Corporation were not according to the objectives of the National Council. Therefore, he said that questions were raised to the Hon'ble Minister regarding the responsibilities of the State Mining Corporation and the inclusion of strategic minerals under the State Mining Corporation. In response, the Hon'ble Minister for Economic Affairs had provided separate answers in general, on State Mining Corporation and on strategic minerals. Despite that, due to difference in opinions, the members were not satisfied with the answers.

Therefore, he said that the main reason to submit a motion for an additional debate as per the provision of

the National Council Act is because while there is no special responsibility of the State Mining Corporation, the reasons received for non-inclusion of strategic minerals in the State Mining Corporation were also inappropriate. As per Article 1.12 of the Constitution of Kingdom of Bhutan, the rights over mineral resources vests with the people of Bhutan and if the benefits are captured by a few people, it is in breach of the constitutional provision. Therefore, he said that the State Mining Corporation which is established under the Druk Holding and Investments (DHI) needs to ensure proper management like any other corporations under the DHI.

The principal objective of the DHI is to hold and manage the existing and future investments of the Royal Government for the long term benefit of the people of Bhutan. He said that the objective to establish DHI was in line with best practices in the world. Likewise, he also gave examples of mining Government based on few countries. Similarly, he said that it is very important to hold the Government responsible if the activities related to mines and minerals carried out by private sectors are harmful to the general public. In addition, the Hon'ble Minister during the Question Time session gave free and liberal opinions and also acknowledged free trade principle. Therefore, he said that it creates doubt on whether there is a beneficial discussion between the political parties and the private sectors.

On this, some of the members submitted that among others, restraint should be put to the existing private mining agencies after finishing their contract period and implementation of the objective of the State Mining Corporation as per the directives of the Lhengye Zhungtshog and the Ministry of Finance. To ensure

proper implementation, there is a need to amend the relevant Acts.

To this, the Hon'ble Minister for Economic Affairs said that if mining in general and strategic minerals are all included under the State Mining Corporation through laws and policy, not only will it create problems in the future, but it will also breach provisions of the Constitution. He also submitted that Flite Minerals was to be implemented as strategic minerals but due to inferior quality and lack of business opportunity, it was not included in the list. In addition, the main reason for not including all the mining agencies under the Government is to develop the private sectors, prevent monopolies and also the revenue which is submitted by the private sectors is more than 50% which is very beneficial to the Government.

The National Council thoroughly deliberated on Issues Related to State Mining Corporation on 23/6/2016 and resolved as follows:

The National Council,

1. Upholding its mandates enshrined in the Constitution (Article 10.2 and Article 11.2) and in the National Council Act of the Kingdom of Bhutan 2008 (Chapter 2, Sections 7 and 10) as a House of Review and Chapter 8. Section 137 of the National Council Act on the use of interpellation as a parliamentary device and follow up debate called therein;
2. Respecting the Constitution in particular adhering to the following Article 1.12 which vests rights and ownership over mineral resources to the State and Article 9.7 which calls for development and execution of policies to minimize inequalities of

income and concentration of wealth , among others;

3. Respecting the vision of the Royal Charter granted by the Druk Gyalpo in 2007, to establish the Druk Holdings and Investments Ltd., as a means to safeguard and manage national wealth which belongs to the people of Bhutan;
4. Appreciating the initiative of the Royal Government to establish the State Mining Corporation in December 2014, under the DHI, to provide strategic overview and direction to the mineral sector;
5. Recognizing the potential of the State Mining Corporation (SMC) as an important means to realizing the vision of the Constitution and the objectives of the Royal Charter establishing the DHI;

Hereby calls on the Royal Government to:

1. Urgently table the Minerals and Mines Management Act 1995 (Amendment Bill) so that the law governing the mining sector is updated to meet the vision and objectives of the Constitution of the Kingdom of Bhutan and in particular to enhance transparency, curb corruption and prevent tax evasion and other business malpractices, etc., while at the same time promoting development of the sector;
2. Include in amended Bill and the Mineral Development Policy provisions to grant special role for the State Mining Corporation in the Mining Sector including exclusive rights over all primary mining activities and the exploration and extraction of strategic minerals in the country and



encourage private sector to invest only in areas which provide opportunities for value addition.

3. Uphold the Terms of Reference defined for the State Mining Corporation by Government Order issued by the Ministry of Finance on 20/12/2014. In particular to observe Section 6 of the Terms of Reference which states that the: “The State Mining Corporation shall be the designated body to develop strategic minerals as defined by the MOEA.”

**Voting details on the adoption of Recommendations on the Issues Related to State Mining Corporation**

Date: 23/6/2016; Time: 11:37 AM; Total Votes: 23; ‘YES’: 23; ‘NO’: 0; ‘Abstain’: 0

**The following voted ‘YES’:**

1. Hon’ble Tashi Wangyal
2. Hon’ble Phuntsho Raptan
3. Hon’ble Tashi Wangmo
4. Hon’ble Pema Dakpa
5. Hon’ble Dhan Bdr. Monger
6. Hon’ble Sonam Dorji
7. Hon’ble Sangay Khandu (Gasa)
8. Hon’ble Tashi Phuntsho
9. Hon’ble Tashi Dorji
10. Hon’ble Sangay Khandu (Samtse)
11. Hon’ble Jigme Rinzin
12. Hon’ble Nima
13. Hon’ble Kamal Bdr. Gurung
14. Hon’ble Rinzin Dorji

15. Hon'ble Kaka Tshering
16. Hon'ble Tharchen
17. Hon'ble Tempa Dorji
18. Hon'ble Pema Tenzin
19. Hon'ble Sonam Wangchuk
20. Hon'ble Nima Gyeltshen
21. Hon'ble Kesang Chuki Dorjee
22. Hon'ble Karma Tshering
23. Hon'ble Jigme Wangchuk

*(Wednesday, 1<sup>st</sup> June 2016 corresponding to the 26<sup>th</sup> Day of the 4<sup>th</sup> Month of Fire Male Monkey Year of the Bhutanese Calendar)*

## **H. Proceedings of Question time**

### **1. Hon'ble Prime Minister**

The Hon'ble member Tashi Wangyal spoke about the governments' announcement with regard to the establishment of three colleges in the eastern region of the country, whereby he questioned if the government has done feasibility survey of the colleges and whether they have consulted to the Royal University of Bhutan or not. He also questioned that if they have considered our society and economy while planning.

In response, the Hon'ble Prime Minister said that for the purpose of establishment of three colleges in Gyelposhing, Tashi Yangtse and Tashigang, committees were formed one comprising of ministers and the other one was working committee which had carried out the detail study. He added the fact that one of the members of the working committee being the Vice-Chancellor of the Royal University of Bhutan, the consultation has been carried out. Hon'ble Prime Minister also said that subjects for those three colleges are being specified, i.e.

political science in Gyelposhing, Rigzhung in Tashi Yangtse and Post Graduate in English for teachers in Tashigang. He further stated that those three colleges are intended to commence from 2017 under the control of Ministry of Education.

The Hon'ble member Tashi Wangyal said that the documents with regard to consultation are required to be submitted to the National council. The Deputy Chairperson requested Hon'ble Prime Minister to see the possibilities of establishing college in Haa Dzongkhag as well to have an equal regional development. With regard to submission of consultation documents, Hon'ble Prime Minister said that it will be submitted as per the system. The Hon'ble Prime Minister further explained about the reason for establishing three colleges in the eastern region. He said that there are many colleges already established in the west and moreover those private sectors who intend to establish colleges are mostly interested in the western part of the country.

## **2. Hon'ble Minister of Home and Cultural Affairs**

The Hon'ble member of Trongsa, said that those prevailing Civil Societies Organization has taken immense role and responsibilities in providing services to the democracy but nevertheless he asked that the Civil Society Organizations being financially supported through foreign aid, does the government practices timely checks with regard to the Civil Society Organization funds and their sustainability or not. And the Hon'ble member of Trongsa further questioned whether the government has seen how the public and Civil Society Organizations work is being regularized or not. In response to, the Hon'ble Minister for Home and Cultural affairs said that, the observation with regard to the funds of the Civil Society Organizations are being carried out as per the system whereby audit is done.

And the Hon'ble Minister said that one of the members for Civil Society Organization is appointed from Ministry of Home and Cultural Affairs, whereby the observation on the programs and activities are carried out.

The Hon'ble member of Samtse asked if there is any organization in the country which is not registered with the Civil Society Organization but executing similar works to that of registered ones. If yes, how the observation is done. On this, the Hon'ble Minister for Home and Cultural Affairs responded that, both the government and non-governmental organizations activities falls under the purview of Civil Society Organization. But with regard to the registration and the observation of those organizations will be replied in writing after consulting to Civil Society Organization.

### **3. Hon'ble Minister for Economic Affairs**

Hon'ble Member Tashi Wangyel said that although the mines and minerals have the probable of enhancing economy of the country, it has benefited only 2-3% of the GDP. He asked that what advantages have been acquired from the State Mining Corporation, which was instituted by the Royal Government after identifying a risk of corruption in such agencies. He also inquired that whether other minerals can be comprised in the strategic minerals, a section under Mineral Development Policy even though it is maintained under the supremacy of the government.

In response, the Hon'ble Minister said that four Mining Agencies have been instituted under the State Mining Corporation and strategic minerals which are non-renewable includes under State Mining Corporation. The Minister said that private owned minerals do not fall under the State Mining Corporation.

To this, some Hon'ble Members said that as per the Constitution of Kingdom of Bhutan, mines and minerals are core assets of Bhutan that should benefit people in general. However, in the current situation, it has benefitted only few people. Therefore, they enquired how the government is planning to bring mines and minerals under authority of government and what measures are being undertaken so that the mines and minerals will be more beneficial to the economy. In response, the Hon'ble Minister said that the government is controlling all the mining corporations in the country. However, it is better to place authority to both the government and private sectors in order to avoid any conflicts.

#### **4. Hon'ble Minister for Agriculture and Forests**

During 11<sup>th</sup> Five Year Plan (FYP), out of many priorities for Renewable Natural Resources on food and nutrition security, the Hon'ble Member of Parliament, National Council, Zhemgang had asked about the program by the government on agriculture business and food security. Further, he also asked on the policy and act for the above program and whether there is any job opportunity. In response to the question His Excellency Minister of Agriculture and Forest said that the market for commercial farming the agriculture and dairy products such as paddy, potato, cardamom, fruits, maize, etc. are in the developing process and based on sustainable policy the security of these production, market and food are being made secured.

In addition, the Minister also said that the implementations of the parent policy and act are based on 11<sup>th</sup> FYP, Land Act, Livestock Act, Consumer Protection Act, Bio-diversity Act and Forest and Nature Conservation Act. In order to enhance agriculture activities, commercialization and employment opportunities and to encourage the youths to take part

in agriculture and for those agriculture enthusiasts, the government supports hiring of farm machinery and many others.

## **5. Hon'ble Minister for Education**

The Hon'ble member of Gasa acknowledged the government for extending maternity leave for six months which is of great beneficial to both the mother and child. However, the concern is being raised that such a long maternity leave would affect in delivering the government services especially those who are serving as school teacher. He questioned on the strategic measures that the government is planning to take in order to address the issue. In response to the question, His Excellency, the education minister said that such issue will be addressed by hiring the contract teachers in place of those teachers who are on maternity leave.

In addition, the Hon'ble member of Samtse also questioned the problems caused to the teachers due to inadequate number of non- teaching staff in middle secondary school. To which His Excellency the education minister said that the allocation of supporting staff are based on requirement of the schools and he hopes that the research conducted on the workload of the teachers of Bhutan will address the problem on shortage of supporting staff.

The Hon'ble member of Tsirang raised the concern that the untrained contract teachers across the schools would have an adverse effect on the quality of education and taking into account the inadequate number of teachers, he also questioned the government's plan on the possibilities of extending the contract and regularizing of the contract teachers. In response, His Excellency the education minister ensured that the quality of education would not be affected as the

contract teachers are dedicated towards their work. He also explained about the community based contract teachers and national contract teachers. Of the two type of contract, since the national contract teachers are degree qualified it is extendable according to the requirement.

## **6. Hon'ble Minister for Work and Human Settlement**

Hon'ble Member of Trongsa asked how prepared the government is in providing Financial resources and Skilled Human Resource for the Thromde proposal endorsed by the Parliament. He also questioned on the approximate expenditure that would be incurred in establishing the town and also the source to meet these expenses. Further he inquired on how the government is planning to protect the arable lands. To which Work and Human Settlement Minister responded that in addition to existing separate Municipal Offices in each Dzongkhag the government is planning to provide financial and human resource support. Government would seek financial assistance to establish the Thromde from World Bank, Asian Development Bank and Government of India. With regards to human resource the government is still in the process of discussing the matter with Royal Civil Service Commission (RCSC). Likewise the arable land would be protected according to the system of the country.

Some of the members of Parliament also asked if the people were consulted on the establishment of the Thromde and the reason for delayed local area plan in the old Thromde. Besides they asked why there are no uniform criteria for border security. In response Her Excellency Minister of Work and Human Settlement said that government has been consulting the general public in town planning process and the involvement of

consultation with many agencies led to delayed local area plan. And according to the priority of the area the border security criteria is being set.

## **7. Hon'ble Minister for Labour and Human Resources**

The Hon'ble Member of Tsirang Dzongkhag said that, what measures are being taken up by the government in order to create adequate job opportunities for youths in the private sectors and to encourage in joining private sectors, especially in the blue-collar jobs and inquired about insurance, leave and job security in the private sectors. He also questioned about the Labour and Human Resources Acts being implemented in detail.

To this, the Minister for Labour and Human Resources said that resources such as residence, regulation for security, personal security, Guethue and government has deliberated on insurance, leave and security in order to encourage youths in private sectors. With regard to the implementation of the Act, he said that it is being implemented in accordance with the favourable time and situation.

On this, the Hon'ble Member from Bumthang Dzongkhag said that what measures is the government taking for an increasing number of unemployment rate which is seemed to be caused by mismatch between the aspects that government & private sectors have for the youths and the skills that youths possess. In response to this, the Hon'ble Minister said that such mismatch shall be redressed in collaboration with the Ministry of Education.

The Hon'ble Member Kezang Choki Dorji asked the Hon'ble Minister about the outcome of government after its discussion with relevant agencies on the issues



related to insufficiency of teachers, whereas, some trained teachers are left unemployed. She also inquired where the government is planning to send trained teachers other than India and the measures for prevention of challenges whilst working abroad. To this, the Hon'ble Minister said that owing to discussion held with the agencies, government could employ all trained teachers. Other than India, government is planning to send trained teachers in Thailand and the embassy and consulate offices and concerned Officers from the MoLHR takes responsibilities for the security of the foreign workers.

To this, some Hon'ble Members asked as to why the Government is sending limited jobseekers abroad despite getting high demand, and the rationale behind reducing the trajectory of overseas employment from 30,000 to 9000. They also questioned on the policy of placing trained teachers in the private schools. In response, the Hon'ble Minister said that while the requirement for overseas employment is high, the option of nature of job and recruitment is done by the employer in which case there is nothing more the Government could do. On the reduced number of jobseekers being sent, he said that the economic development and many problems faced while working overseas compelled for reduction. Further, while the condition is that private schools have to recruit trained teachers, the contract teachers are yet to complete their term in which case recruiting trained teachers are impossible.

## **8. Hon'ble Minister for Health**

The Hon'ble Member from from Tongsa said that while the traditional medicine service in the country has benefited people, the medicines are not imported from abroad but herbs collected from within the country and processed. He asked what the government's plans are to

ensure sustainability and if there are programs in line to let farmers grow those herbal medicines. He also asked what the government's plans are to propagate the herbal medicine and its service in the future.

To this, the Hon'ble Minister informed the house that various plans and programs to ensure sustainability of the traditional medicines like, not letting waste in collection, awareness programs on the value of medicine, identification of locations for collections, and cultivation of herbal plans, are all in line.

Further, he said that trainings on collection and cultivation are also in line. To make people take up this activity, drying centers and training on introduction to medicine are also instituted. Furthermore, it was submitted that in future, hospitals would provide services both traditional and scientific would be provided in all Dzongkhags. Improving pharmaceutical industries and awarding supply of medicines to private sectors are some of the plans and programs in line.

## **9. Hon'ble Minister for Information and Communication**

Hon'ble Phuntsho Rapten expressed that previous Government, in order to provide effective service, signed an agreement for a new domestic flight service, which was later asked to cater to international flight services. While the Government directed the Tashi Air Corporation to initiate its domestic service from March 2016, it could not be established. Further, the Government extended the timeline to another three years and the service is due to start from 2019. The National Council inquired why Tashi Air Corporation was not made to follow the terms of agreement and, if there was no requirement for larger companies to abide by the terms of agreement drawn.

To this, the Hon'ble Minister for Information and Communication said that the experience from Drukair was such that there were only a few people who availed of domestic flight services, and adding to the problem was presence of helicopter service, which affected the business. A thorough review also found that there existed lots of predicaments that instigated the Government to postpone it. However, it was clarified that the Government does not breach the laws in favor of larger companies.

Hon'ble Tashi Wangyel said that the Chairman of Tashi Air Company has expressed that the flight service, after having become effective, was exploring four additional places to the existing ones. When the Government, however, expressed inconveniences, it appeared that the Government was in support of the private company. To this, the Hon'ble Minister for Information and Communication said that it was not in support of the larger companies but it was the decisions arrived based on investigation carried out on various issues.

The Hon'ble Member from Gasa said that the Right to Information Bill, which is also the Government's pledge, considering its importance, was submitted to the Parliament, which was deferred. He asked if there was any plan to reintroduce the Bill to the Parliament. To this, the Hon'ble Minister said that the Government prioritized the law and introduced it in the first session. The bill was passed in the second session and forwarded to the National Council. However, due to the procedural lapses, the bill could not be passed and had to defer. So far, the Hon'ble Speaker had no directives on bill and the bill has remained thus.

Since the Bill was important, the Hon'ble Minister expressed that he will take up the matter personally with Hon'ble Speaker.

## **I. CLOSING CEREMONY**

### **1. Closing Address of the Hon'ble Chairperson**

The Chairperson, on behalf of the National Council, expressed his gratitude to the Hon'ble Prime Minister and the Speaker of the National Assembly for their presence during the opening and closing ceremony.

The National Council in its 17<sup>th</sup> session deliberated and came up with three recommendations which are related to the government and relevant agencies and one recommendation related to the Anti-corruption which is beneficial to the country and the people. The chairperson asked government and institutions for the continuous support as in the past.

Every deliberation has become fruitful because of the merit of triple gem, it's also because of the payers and rituals by the two Je- Khenpos and further, it is the product of the wisdom and guidance's that we had received from His Majesty The King. It's also due to the generous support from the chairperson of various committees, Members and moreover, the supports that we received from the officials who worked day and night. The Chairperson also extended his appreciation to Royal Bhutan Police for safeguarding, staff of the Department of National Property for providing us with all the necessary items as required and to the Medias as well.

The Chairperson said that as the 17<sup>th</sup> session concludes, it is mandatory to prepare for the 18<sup>th</sup> session. The Chairperson encouraged all the Committee Members to do in accordance with the following tentative agenda and be prepared for the next session.

#### **1. Legislative Committee:**

- Customs Bill of Bhutan 2015

- Motor Vehicles Agreement for the Regulation of Passenger, Personal and Cargo Vehicular Traffic between Bangladesh, Bhutan, India and Nepal (BBIN)
2. Foreign Relations Committee
    - Civil Aviation Bill of Bhutan 2015
  3. Natural Resources and Environment Committee
    - Review Report on Agriculture Policies
    - Gewog Rationalization Issues
  4. Special Committee
    - Review Report on Education Policies and Strategies
  5. Good Governance Committee
    - Performance Audit Report on Gewog Development Grant
    - Review Report on Guidelines on Policy Formulation
    - Issues on Financial Security of Anti-Corruption Commission
  6. Economic Affairs Committee
    - Tax Audit Report of Tour Operators
    - Review Report of 11<sup>th</sup> Five Year Plan Mid Term Review
  7. Social and Cultural Affairs Committee
    - Cultural Issues

2017 being a year of sacred significance, the future destiny of the people of Bhutan, Royal Prince Jigme Namgyal Wangchuk was born, and after the naming ceremony which was held corresponding to *Zhabdrung Kuchoe*, on the day of 5<sup>th</sup> month of the fire male monkey year, celebrated the foremost allegiance of Royal Prince at the hallowed place of our kings, the descendants of Toertoen Pema Lingpa in Kurtoe Dungkar and the Royal Prince was granted audience to the people. For this, the chairperson expressed his deepest gratitude to the King and Gyaltshuen for their noble deeds.

Likewise, the chairperson reminded the house that when the National Council carries out its responsibility for the country and people, it is essential to keep in mind the advice and guidance of the King and principals of democracy that is budded from the profound intelligence of His Majesty the 4<sup>th</sup> Druk Gyalpo. The National Council being apolitical by its mandate is executing nonpolitically and the Chairperson reiterated the members to maintain the same henceforth.

The 17<sup>th</sup> session came to an end on 23<sup>rd</sup> June 2016 with a Zhabten dedicated to their Majesties the King and the Queen, His Majesty the Fourth King, and the members of the Royal Family for ushering the country and the people to an era of peace, prosperity and stability.



A handwritten signature in black ink, appearing to be "Sonam Kinga".

(Sonam Kinga)  
**Chairperson**

**National Council of Bhutan**