

PARLIAMENT OF BHUTAN



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

(24th Day of the 9th Month to 27th Day of the 10th Month of the Wood
Female Sheep Year Corresponding to 5th November to 8th
December 2015)

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Proceedings and Resolutions (Translated) of the 16th Session of the National Council of Bhutan

(Thursday, 5th November 2015 corresponding to the 24th Day of the 9th Month of Wood Female Sheep Year of the Bhutanese Calendar)

A. Proceedings for the Opening Ceremony

The opening ceremony of the 16th Session of the National Council of Bhutan was held on 5th November 2015 corresponding to the 24th Day of the 9th Month of Wood Female Sheep Year of the Bhutanese Calendar with traditional *Marchhang Tendrel* ceremony presided over by the Chairperson.

To commemorate the 60th birth anniversary of His Majesty the Fourth King, the members of the National Council offered prayers for long life of the Greath Fourth. In addition, the National Council has identified and reprinted a set of eight important laws passed during the reign of His Majesty the Fourth Druk Gyalpo, for further distribution to the Local Governments. A blood donation campaign was also organized to celebrate the occasion.

B. Opening Address by Hon'ble Chairperson

Hon'ble Chairperson in his opening address said that our Beloved Kings, starting from the First King to our present Beloved King, are revered as *Kidu Gi Pham* for not only being the guardian of need and support in times of adversity but also during peaceful times.

The sovereignty and unity of this country was not achieved overnight. Instead, it has been passed onto us generation after generation through selfless efforts of our enlightened Monarchs, dating back to 385 years ago.

Moreover, during his reign as the fourth king, His Majesty – besides representing as the guardian of the people in both times of peace and adversity – was able to feign off internal and external threats. This has ushered in an era of unprecedented peace, happiness and stability in the country. For this, Hon'ble Chairperson expressed heartfelt to His Majesty, on behalf of the people of Bhutan.

For instance, no matter how conducive an environment the country provides to the people to practice religion, do business and work in the farms - if the sovereignty of our country is at stake – all these pursuits will be futile and fruitless. Given this, our glorious monarchs have considered the country's sovereignty like a precious jewel and have provided utmost protection; hence, it's our scared duty to further preserve and protect the country's sovereignty through legislation of strong and vibrant policies and rules for further pass down to our future generations.

C. Tributes to His Majesty the Fourth King

Hon'ble Member of Samdrupjongkhar, representing the people of east, expressed that - irrespective of Bhutan's achievement and pride in conserving the environment, ensuring prosperity and catering basic amenities to the people- the issue of the country's sovereignty should take the highest precedence and priority. The sovereignty of our country has not come into the present shape overnight. It has been the result of the selfless efforts dedicated towards by our Monarchs, especially by our Fourth Druk Gyalpo. For this, we the Bhutanese should be extremely grateful and honor the deeds in high regards. During His reign from 1990 to 2003, His Majesty the Fourth Druk Gyalpo, despite numerous security threats, internal and external, imposed on the country- took the lead to ensure peace, prosperity and

security to the people and country. In light of all these, Hon'ble Member offered wishes and prayers for His Majesty's long life and highlighted the people's well-deserved respect.

Hon'ble Member of Wangduephodrang, speaking on behalf of the western districts, expressed that His Majesty the Fourth King- in line with the development philosophy of Gross National Happiness- made significant contributions to the country in the form of restoration of religious treasures, monasteries and temples, thereby; further strengthening monastic education and contributing to the preservation of the country's rich cultural heritage which has been passed onto us for generations. Under His Majesty's reign, numerous sustainable and long-term measures were taken to conserve and flourish the country's pristine environment and natural resources. Furthermore, through the principle of three branches of the government, His Majesty contributed immensely to good governance. Hon'ble Member expressed gratitude to His Majesty for such significant progress and offered his prayers for the longevity of His Majesty.

Hon'ble Member of Tsirang, representing the people of the South, maintained that- despite the country's size in terms of land area-it's home to people with diverse ethnic and linguistic backgrounds. Notwithstanding such differences, His Majesty was able to ensure unity and harmony among the citizenry. To further elaborate on this, His Majesty has not only expressed a great deal of recognition to practice different religious faiths but also upheld the practice of Hinduism among the Southern community, so much so that Dasain is declared a national holiday nation-wide. His Majesty has also encouraged inter-racial marriage among the citizens of the country, thereby instilling pride and

motivation in the people and promoting the country's defining principle of One Nation, One People. For this, Hon'ble Member expressed his heartfelt gratitude and conveyed prayers and wishes for His Majesty's good health and long life.

Representing the districts of Central Bhutan, Hon'ble Member of Trongsa articulated that ever since His enthronement as the Fourth King of Bhutan, His Majesty envisaged the importance of a vibrant and competitive education system in the country in a world of changing times and provided generous free education to the people. The end result of such a valuable and effective system of education has generated within the country a section of competent civil servants working in different branches of the government, with a different set of expertise. This has been one of the biggest contributions of His Majesty and, therefore, on behalf of Bhutanese youths, Hon'ble Member expressed his gratitude and respects to His Majesty.

D. Implementation Report on the Resolutions of the 15th Session of the National Council

The National Council during its 15th session has deliberated on some reports and review of policies, budget and reappropriation bill 2015-2016. Accordingly, the committees of the National Council submitted detailed reports as per *annexure i* to the government and concerned agencies and also to National Assembly for follow up and necessary action.

On this matter, the National Council, upon thorough discussion, has acknowledged most of the follow up actions. However, the matter concerning the census transfer of Drametse Gup to Ngatshang Gewog and some issues pertaining to elections were redeliberated and decided as follows:

1. *The transfer of Drametse Gups' Mitsi to Ngatshang Gewog, Mongar Dzongkhag*

The National Council,

1. *Respecting* the principles enshrined in the Constitution of Bhutan that requires an elected members to be registered voter of his/her constituency in order to secure an attachment to and a just representation of the interests of the constituency in the representative bodies;
2. *Noting that* the Drametse Gup had formally transferred his Mitsi to Ngatshang Gewog since November 2014, which Contradicts the spirit of Section 2(c) and 3(b) of Article 23 of the Constitution of the Kingdom of Bhutan, and Section 21 (b) of local Government Act 2009 that requires a person to be registered in the civil registry of his/her constituency in order to be elected as a member of local government;
3. *Further noting that* the Ministry of Home and Cultural Affairs has accepted, as quoted below, that the transfer of Mitsi by Drametse Gup has breached legal provisions;
 - a. "In this regard, the Ministry of Home and Cultural Affairs would like to submit that there is a breach of Legal provisions by the Dremetse Gup being the elective post holder as per the Article 23 Section of 3 (b) of the constitution of Kingdom of Bhutan..."
 - b. "The Ministry is also of the view that since the Gup has transferred his mitsi from Dremetse Gewog to Ngatshang Gewog which makes him no longer the resident of Dremetse. When he is no longer the resident of that Gewog he cannot hold

the elected post. Therefore, the Gup must be made to vacate the post as per the law in force.”

- c. “...the Ministry of Home and Cultural Affairs shall incorporate in the Local Government Rules and Regulations, a clear procedure for disqualification of the member from elective office should there be such case in future.”

4. *Highlighting* the ECB’s responses that stated the following:

“...as per Electoral Laws the said Gup’s Mitsi transfer would be affected in the Electoral Roll of Ngatshang Gewog only after 28th of November 2015 upon which the post of Dramedtse gup would fall vacant. The Gewog Tshogde of Dradmetse gewog will complete its term of office on 2nd of August 2016. Therefore a Bye-Election may be called by the Election Commission to fill the vacancy in Dramedtse if the remaining tenure is more than six months.”

5. *Affirming that* the remaining tenure of Dramitse Gewog Tshogde is more than eight months;

Hereby,

1. Calls upon the Royal Government to
 - a) To take urgent and appropriate action of legal provisions as provided for in Section 31 (i) of the Local Government Act, and
 - b) Incorporate in the local Government Rules and Regulations a clear procedure for disqualification of a member from an elective office the moment his/her mitsi is transferred to another constituency.
2. Calls upon the Election Commission of Bhutan to:

- a) Conduct immediate Bye-Election for the office of Dramitse Gup as per provision of the Election Act and Local Government Act.

Voting Details on the adoption of recommendations on the Transfer of Drametse Gup's Mitsi to Ngatshang Gewog

Date: 20/11/2015: 12:37pm; Total Votes: 20; "YES": 20; "NO":0; "Abstain": 0

Following voted, 'Yes'

1. Hon Nima
2. Hon Pema Tenzin
3. Hon Sonam Dorji
4. Hon Sangay Khandu (Gasa)
5. Hon Sonam Wangchuk
6. Hon Jigme Rinzin
7. Hon Rinzin Dorji
8. Hon Jigme Wangchuk
9. Hon Sangay Khandu (Samtse)
10. Hon Dhan Bdr Monger
11. Hon Nima Gyeltshen
12. Hon Tashi Phuntsho
13. Hon Kamal Bdr Gurung
14. Hon Tashi Dorji
15. Hon Tashi Wangyel
16. Hon Pema Dakpa
17. Hon Tharchen
18. Hon Kaka Tshering

19. Hon Tempa Dorji

20. Hon Tashi Wangmo

2. Election related issues

Amongst the recommendations submitted to Election Commission as endorsed during the 15th session of the National Council, four points have been accepted by Election Commission. However, there was no formal acceptance on the issues such as voting from the place of residence, no banners and formal university degree. Therefore, National Council, highlighting the importance of parliamentary elections, has decided to redeliberate on the issue in the 16th session and started working on the amendments of Election Act.

Voting Details on the adoption of recommendations on the Amendments of Election Act

Date: 20/11/2015: 1:35pm; Total Votes: 20; “YES”: 14; “NO”:5; “Abstain”: 1

Following voted, ‘Yes’

1. Hon Nima
2. Hon Pema Tenzin
3. Hon Sonam Dorji
4. Hon Sangay Khandu (Gasa)
5. Hon Sonam Wangchuk
6. Hon Jigme Rinzin
7. Hon Rinzin Dorji
8. Hon Jigme Wangchuk
9. Hon Sangay Khandu (Samtse)
10. Hon Dhan Bdr Monger
11. Hon Nima Gyeltshen

12. Hon Tashi Phuntsho
13. Hon Kamam Bdr Gurung
14. Hon Tashi Dorji

Following voted, “NO”

1. Hon Tashi Wangyel
2. Hon Pema Dakpa
3. Hon Tharchen
4. Hon Kaka Tshering
5. Hon Tempa Dorji

Following abstained from voting:

1. Hon Tashi Wangmo

(Thursday, 12th November 2015 corresponding to the 1st Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

E. Legislative Issues

1. Introduction of Jabmi (Amendment) Bill of Bhutan 2015

The Member-in-charge of the Jabmi (Amendment) Bill of Bhutan 2015, Hon’ble Chairperson of the Legislative Committee of the National Council said that since its enactment in 2003, it’s not been able to implement it effectively and not even a separate office been established since then. Therefore, to improve the strategy for the works of Jabmi, the National Assembly during its 5th session deliberated for the amendment of the Jabmi Act and submitted to National Council, where the Legislative Committee of National Council reviewed accordingly.

Hon’ble Committee Chairperson submitted that the experiences and guidance received from the stakeholder

meetings have immensely facilitated in carrying out the amendment review works of the Bill. Therefore, the committee submitted to the House for the endorsement of several new sections and changes incorporated in the Bill.

1.1. Deliberations on the Bill

The National Council deliberated on the Jabmi (Amendment) Bill 2015 on 12/11/2015 and 20/11/2015. Following amendments and changes were made in the Bill, which shall be submitted to the National Assembly for re-deliberation in accordance with article 13.7 of the Constitution of the Kingdom of Bhutan:

An Bill Act to amend the Jabmi Act of the Kingdom of Bhutan, 2003;

Parliament of the Kingdom of Bhutan hereby enact the Jabmi (Amendment) Act of Bhutan ~~2014~~ **2015** on theDay of the Month..... of Wood ~~Male Horse~~ **Female Sheep** of the Bhutanese Calendar corresponding to theDay of....., ~~2014~~ **2015 as follows: at its 3rd Session of the Second Parliament as follows:**

Section 1

This Act shall:

- a) Be called the Jabmi (Amendment) Act of the Kingdom of Bhutan ~~2014~~ **2015**;
- b) Come into force on the.....Day of the.....Month, **of the Wood Female** Year, corresponding to the ... Day of the..... Month, ~~2014~~ **2015**; and
- c) Extend to the whole of the Kingdom of Bhutan.

Chapter 2 of the Act

Jabmi Tshogdey and ~~Jabmi Thuentshog~~

Section 3

The Jabmi Tshogdey of the Kingdom of Bhutan shall consist of the following members: ~~namely:~~

- (a) *Accept NA's Amendment*
- ~~(b) *Chairperson of the Jabmi Thuentshog as ex-officio Member;*~~
- (c) *to (e) Accept NA's Amendment*
- (f) *Retain as in the draft Bill.*
- (g) **One private sector or public representative member from the National Council of Bhutan.**

Section 5

The elected **Chairperson** ~~President~~ shall be the head of the Office of the Jabmi Tshodey for a term of Three years.

Section 5 (a)

The ~~President~~ **Chairperson** of the Jabmi Tshodey shall be eligible for re-~~appointment~~ **election.**

Section 5 (b)

~~The members of the Jabmi Tshogdey shall elect the President from amongst a minimum of three nominees.~~
The President Chairperson of Jabmi Tshogdey shall be elected from amongst the members of Jabmi Tshogdey.

Section 5 (e)

The Attorney General and ~~Chairperson of Jabmi Thuentsog~~ shall not be eligible for nominee of the ~~President~~ **Chairperson** of Jabmi Tshogdey.

Section 7 of the Act

The Jabmi Tshogdey shall have a Secretariat to assist in the discharge of its functions. **It shall receive adequate resources from the State.**

Section 9 of the Act

The functions of the *Jabmi Tshogdey* shall be to:

- (a) Encourage and promote the integrity, efficiency and responsibility of Jabmis on its rolls;**
- (b) Establish and from time to time amend a code of professional conduct for Jabmis;**
- (c) Establish and administer procedures for enforcement of discipline against Jabmis for violation of said code of professional conduct;**
- (d) Entertain and determine cases of misconduct against Jabmis and to order punishment in such cases;**
- (e) Promote legal education and to lay down standard of such education in consultation with academic institutions.**
- (f) Provide Pro Bono legal aid services in addition to funding support from the State.**
- (g) Facilitate access to Jabmi services across the country.**
- (h) assist the Courts in expediting cases and to ensure just, fair and prompt dispensation of Justice;**
- (i) conduct *Jabmi* selection examinations;**
- (j) prepare and maintain a roll of *Jabmis*; and**

(k) Perform all other functions conferred upon it by or under this Act.

(l) Conduct General meeting (s).

New Subsection 9 (q) under Section 9

Recommend to the National Judicial Commission/ Royal Judicial Council for the appointment of Drangpons from amongst the eminent jurists, except for the appointment of other judicial personnel

(inserted as subsection 9 (m))

Section 10 of the Act

~~The *Jabmi Tshogdey* shall fix and publish the date, time and place for the examination.~~

Section 11 of the Act

(a) Qualifications for *Jabmis* to become a member of the *Jabmi Tshogdey* ~~or the *Jabmi Thuentshog*~~ and disqualification from such membership;

(c) The *Tshogdey* fees ~~which may be levied~~ in respect of any matter under this Act; and

New Subsection under Section 11 (a)

Notwithstanding any provisions under this Act, *Jabmi Tshogdey* shall regulate the practice of law by a lawyer **or a paralegal** who does not possess Certificate of *Jabmi* and other practitioners who do not possess law degree.

(insert as new subsection 11 (e))

Section 14

There **may** ~~shall be the *Jabmi Thuentshogs* of Bhutan~~ established in accordance with the relevant ~~this Act~~ **laws**.

Section 15

~~The Jabmi Thuentshog shall be headed by an elected Chairperson who shall also be the Vice President of the Jabmi Tshogdey and serve for a term of Three Years.~~

Section 16 of the Act

~~The Jabmi Thuentshog shall be composed of the Jabmis, who have been enrolled on the roll maintained by the Jabmi Tshogdey.~~

Section 17 of the Act

~~The executive body of the *Jabmi Thuentshog* shall be elected by its members and exercise its functions without interference.~~

Section 18 of the Act

~~The functions of the *Jabmi Thuentshog* shall be to:~~

- ~~(a) Assist the Courts in expediting the cases and to ensure just, fair and prompt dispensation of Justice;~~
- ~~(b) Uphold the integrity of the *Jabmis*;~~
- ~~(c) Cooperate with the others to ensure effective and equal access to legal services;~~
- ~~(d) Encourage and promote the efficiency and responsibility of the *Jabmis*;~~
- ~~(e) Maintain the records of *Jabmis*, who have been put on the roll;~~
- ~~(f) Follow the directives of the *Jabmi Tshogdey*; and~~
- ~~(g) Convene annually a general meeting of the members of the Association.~~

New Section after Section 19

Lawyers who fulfill the criteria to become members of the Jabmi Tshogdey till the enactment of this Act shall be automatically registered as members. Upon the enactment of this Act, the lawyers shall pass the Bar Examinations to qualify as members.

Section 23 (c) of the Act

~~Be a person not addicted to drugs;~~

Section 23 (h) of the Act

~~Have undergone the National Legal Course;~~

Section 24

(retain the provision of the Act of 2003)

Section 25

Any person having selected to the roll of a Jabmi shall take the following Oath or affirmation in Schedule I before the ~~President~~ **Chairperson** of Jabmi Tshogdey

~~“I....in the name of the *triple Gem* and the guardian deities of the Kingdom of Bhutan do solemnly swear and affirm that I will preserve, protect and defend the Law of Bhutan, and that I will conduct myself, as a *Jabmi* uprightly and according to the Laws of the Kingdom of Bhutan”.~~

(To be inserted under Schedule I)

Section 29 of the Act

~~Any person, who fulfills the prescribed qualification and is put on the roll of *Jabmis* by the *Jabmi Tshogdey* shall become a member of the *Jabmi Thuentshog*.~~

New Section after Section 35

A Jabmi may be permitted to advertise for the purpose of providing clients and public appropriate information about the Jabmi and his/her firm with

due regard to personal privacy. The following information may be provided in the advertisement:

- (1) Name of the firm,**
- (2) Address, telephone numbers and email id,**
- (3) Enrollment number with date of enrolment;**
- (4) Professional and academic qualifications and**
- (5) Areas of practice.**

However, a Jabmi shall not provide false or misleading information which may bring the justice system into disrepute.

Section 44

A *Jabmi* and a client shall voluntarily **mutually** execute legal agreement as to a reasonable fee despite of the duration of ~~taken for~~ the case.

Section 45

The payment of the reasonable fee for a *Jabmi* shall be in accordance with the legal agreement executed between a *Jabmi* and his or her client.

Section 51

The members of the disciplinary committee shall be appointed from the ~~members of the Jabmi Thuentshog~~ **roll of Jabmis** , one of whom shall be appointed as a *Presiding Officer*.

Section 52 of the Act

The Disciplinary Committee shall hold office till the next Annual General Meeting of the ~~Jabmi Thuentshog~~ **Jabmis** provided however, that in the event of a matter before it not being disposed of, such Disciplinary Committee shall continue till such time as the matter is

disposed. No new matters shall be placed before it after the expiry of the term for which it was appointed.

New Section after Section 65

The Disciplinary Committee decisions on the Jabmis for any breach of Code of Conduct and etiquette shall be reported to the National Judicial Commission.

New Chapter 10

Definitions

New Section 72

For the purpose of this Act:

- (1) “Jabmi” means a Bhutanese legal counsel who has been licensed to practice including those who have been issued a license prior to the enactment of this Act. A Jabmi shall hold a Bachelor of Laws degree (LL.B.) from a recognized university and shall enroll himself/herself with the *Jabmi Tshogdey* after passing the bar examinations. A Jabmi shall be entitled to appear:
 - (i) In all courts;**
 - (ii) before any tribunal or person legally authorised to take evidence; and**
 - (iii) before any other authority permissible under any other law.****
- (2) “Paralegal” is a person who is not a Jabmi but provides law services**
- (3) “Drangpon” is a Judge or Justice of a Royal Court of Justice.**
- (4) “Former” means retired, resigned or removed.**

(5) “Personal Privacy” means condition of being free from being disturbed by other people.

(6) “Legal aid” means free or inexpensive advice, assistance or representation concerning the law.

“Recognized University” means a university recognized by the Competent Accreditation Authority under relevant laws.

(7) Words importing the masculine gender also include the feminine gender.

Voting Details on the adoption of recommendations on the Jabmi Bill of Bhutan (Amendment) 2015

Date: 20/11/2015: 11:46 am; Total Votes: 20; “YES”: 20; “NO”:0; “Abstain”: 0

Following voted, ‘Yes’

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

13. Hon Kamal Bdr Gurung
14. Hon Rinzin Dorji
15. Hon Kaka Tshering
16. Hon Tharchen
17. Hon Tempa Dorji
18. Hon Pema Tenzin
19. Hon Sonam Wangchuk
20. Hon Nima Gyeltshen

(Friday, 13th November 2015 corresponding to the 2nd Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

2. Enterprise Registration Bill of Bhutan 2015

The Member-in-charge of the Enterprise Registration Bill of Bhutan 2015, Honorable Minister for Ministry of Economic Affairs introduced the Bill. He reported that for a country to develop, the progression must be made in economics. Therefore, it's aimed to improve the economic system of the country through business registration system and a separate legal entity for all enterprise and small scaled businesses in the country.

The main objective of the Bill, as he reported, is to enhance the business registration system, provide legal entity, make enterprise brand, improve agreements, provide right to brand ownership, recognize joint enterprises, integrate the works of various agencies and provide One stop services.

On this, some of the Hon Members asked how consultations were held with concerned agencies while drafting the Bill, what differences does this Bill make with previous systems, how joint enterprise could excel

earlier rules? To this, Hon Minister reported that a wide range of public consultations was held and moreover, this will accelerate in providing one stop services.

2.1. Deliberation on the Bill

The House, on 13/11/2015, deliberated extensively on Enterprise Registration Bill of Bhutan 2015 and resolved to withdraw the Bill with following reasons and further submit to National Assembly as per Sections 17 to 22 of the Legislative Rules of Procedure 2011.

1. The Hon'ble Minister for Economic Affairs informed the House that he was given a record of consultation meetings held by the Asian Development Bank Consultant with the relevant stakeholders during the drafting of the Bill. However, the National Council has observed during the consultation process from July to October 2015 that comprehensive consultations on the Bill with relevant stakeholders were not conducted. Moreover, key agencies that would be responsible for the implementation of the Bill after its enactment were either not consulted or were given very short time to give their inputs. This was evident from feedback the National Council has received from various agencies. Further, the meeting between the Private Sector & Economic Development Committee (PSEDC) of National Assembly & Natural Resources and Environment Committee of National Council on 27th July 2015 revealed that PSEDC did not get adequate time to hold proper consultation with the relevant stakeholders and that the Hon'ble Members of PSEDC were not certain on the rationale behind tabling the Bill in Parliament. For instance, there was no clarity on the conceptual distinction between licensing vis-à-vis Registration.

2. The objectives and intent of the Bill were explained by the Hon'ble Minister. However, they are not adequately supported by the provisions of the Bill. The provisions of the Bill are not specific enough to address the objectives and intent of the Bill. For instance, the Hon'ble Minister emphasized that ERB entailed a shift from Licensing to Registration regime to make things easier for businessmen. However, a meeting with Regional Trade and Industry Office (RTIO) revealed that fundamentally there was no difference between Registration and License except that the License, which was a blue-coloured paper and contained the photograph of the business proponent was being replaced by a certificate of registration probably without the photograph of the proponent. In terms of ease of getting them, it was the same for both. The Officer express confidence that both could be issued within a matter of hours. The problem and time consumption lies in getting the sector clearances, particularly, the environmental clearance from the NEC and a host of others, depending on the sector under which the business falls.

Therefore, changing the requirement from licensing to registration will not have the desired impact of reducing administrative burden, since in both cases sector clearances are the major problems and will remain so until alternative measures are implemented. The ERB will not be able to solve the problem of sector clearances.

3. The National Council is not confident on how the one window system would function. The Ministry of Economic Affairs argues that a business proponent will simply submit his application to the MoEA,

which will then be responsible for getting any clearance that may be required for the business. Subsequently, the proponent will be granted a license from the same window. However, in practice, unless there is a paradigm shift in the way the bureaucracy functions, nothing gets done without persistent follow-up from the proponent. In reality, the application is likely to remain unattended that would require the proponent to make repeated efforts to concerned officer. In such a scenario, one-window approach may be counterproductive as the officer concerned could even tell the proponent that he should not be following up since the matter is between the MoEA and the concerned agency. The clearance hurdles can thus continue. Therefore, the National Council is not confident on how government agencies would adhere to the provisions of the Bill.

4. The consultations conducted by the National Council had found that a major overhaul of the Bill is necessary. Unlike other Bills where there would be amendments to some sections/articles or additions of new sections/articles, the National Council has felt the need to include entirely new chapters with many sections/articles. These chapters and sections/articles have been drafted. However, the National Council is concerned that the ERB is a Government Bill and a complete overhaul on its part by including new chapters and many new provisions may or may not harmonize with the actual intent of the Government. As a gesture of respect, it decided that should the National Assembly grant leave of withdrawal of the Bill, these new chapters and suggestions for new provisions can be given to the Government who may consider including them when the Bill is re-tabled in the

National Assembly. The other merit of withdrawal is that it can be reintroduced in the next session. Otherwise, the need for a joint sitting and uncertain outcome of the joint sitting as well as the legal provision that Dead Bills cannot be re-introduced for a year risks longer delays in re-tabling an important Government Bill.

5. The Hon'ble Minister stated that the Bill would help provide efficient service to entrepreneurs by embracing "one governance principle" and enhance ease of doing business by providing online services to the potential entrepreneur by not requiring their physical presence in applying, renewing and availing services from the Government. However, the National Council felt that such services are administrative reforms and could be done even without the Bill. Rather, the Bill risks unnecessarily penalizing the entrepreneur by subjecting them to sudden changes in the system. The National Council recommends the Government to address all the important issues that the stakeholders may raise, and reintroduce the Bill in the National Assembly during the next session. The National Council will be honoured to share its finding and suggestions either with the Government or with the relevant Committee of the National Assembly.
6. The level of inconsistencies in the Dzongkha and English texts requires not just a re-visit of the translations but a professional editing of both the texts.
7. Parliament should not rush in passing Bills, but take adequate time to make good laws that benefit the nation and the people. Therefore, the Bill would better serve the people if the Government reviewed the Bill once again before tabling to Parliament.

Voting Details on the adoption of withdrawal of Enterprise Registration Bill of Bhutan 2015

Date: 13/11/2015: 12:27pm; Total Votes: 20; “YES”: 18; “NO”:2; “Abstain”: 0

Following voted, ‘Yes’

1. Hon Tshering Dorji, Deputy Chairperson
2. Hon Tashi Wangmo
3. Hon Nima
4. Hon Pema Tenzin
5. Hon Sonam Dorji
6. Hon Sangay Khandu (Gasa)
7. Hon Tempa Dorji
8. Hon Sonam Wangchuk
9. Hon Kaka Tshering
10. Hon Jigme Rinzin
11. Hon Jigme Wangchuk
12. Hon Sangay Khandu (Samtse)
13. Hon Dhan Bdr Monger
14. Hon Nima Gyeltshen
15. Hon Tashi Phuntsho
16. Hon Kamal Bdr Gurung
17. Hon Tashi Dorji

Following voted “NO”

1. Hon Pema Dakpa
2. Hon Tharchen

Monday, 16th November 2015 corresponding to the 5th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

3. Introduction to Companies Bill of Bhutan 2015

The Member-in-charge for the Companies Bill of Bhutan 2015, Hon'ble Minister for Economic Affairs said that though we have laws governing the Companies in Bhutan since 1989, considering the opportunities and challenges faced due to globalization, changes in laws and economic scenerio, we definitely need to have a law in place.

It was reported that the main obejctives of the Bill are to have proper defintion of the Company, ensure transparent procedures for establishment of a company, make integrated guide, ensure tranparency in management, protection of minority share holders and to make internal business more profitable.

To this, some of the Hon'ble Members sought the clarifications on what could be the benefit for the change in registration office, whether an issue related to Director from public enterprise exists or not and also asked why should there be a board member from Druk Holding and Investment. Hon'ble Economic Minister said that the registration office will be autonomous and the matters concerning the Director of Public enterprise are included in it.

3.1. Deliberations on the Bill

The National Council, after extensive deliberations on the Companies Bill 2015 on 16th, 17th and 30th November 2015, had amended the Bill with additional clauses and decided to submit to National Assembly for re-deliberation in accordance with clause 13.7. of the Constitution of the Kingdom of Bhutan.

Preamble

~~An Act to reform the law on incorporation, registration, conduct, reorganisation, winding up and dissolution of companies and for related matters.~~

Whereas in 1989 the first Companies Act was adopted to facilitate creation of corporate entities and o regulate the operation of such entities in the Kingdom.

Whereas the Companies Act, 2000 was introduced to repeal the former companies Act and to provide for a consolidated law relating to Companies with an objective of providing uniform regulation for Companies in a single statute.

Whereas it is important to adopt a modern Companies Act to provide for minority interest protection, enabling provision for corporate governance and corporate social responsibility, separation of ownership and management along with robust regulatory body in keeping with good standards of business ethics, securities regulation with an objective of fostering good governance, transparency, vibrant, free and fair market in the economy.

Parliament of the Kingdom of Bhutan hereby enacts the Companies Act of Bhutan, 2015 on the Day of the Month of **the Wood Female Sheep Year** of the Bhutanese Calendar corresponding to the Day of, 2015 ~~at its Session of the Second Parliament~~ as follows:

Section 4

Subject to sections 17 and 19, any **one** ~~two~~ or more persons may, by subscribing to Articles of Incorporation and otherwise complying with the provisions of this Act

in respect of incorporation, form an incorporated company for a lawful purpose.

Section 11

A private company:

- a) Is not permitted to offer its shares to the public;
and
- b) **Shall have at least two directors;**

Section 12

~~A private company shall have at least two directors~~

Where one person incorporates a company by subscribing to Articles of Incorporation prescribed by this Act, such company shall indicate the name of the other person, with his prior written consent in the prescribed form, who shall, in the event of the subscriber's death or his incapacity to contract become the member of the company and the written consent of such person shall also be filed with the Registrar at the time of incorporation of the One Person Company along with its Article of Incorporation.

Section 33

~~The Registrar may, at his discretion, or shall, if so required by regulations,~~ share the information in the application with other Ministries or Agencies of the Government for the purposes of facilitating any registration or approval necessary for the conduct of the proposed business of the company.

Section 34

~~The Registrar may, at his discretion, or shall, if so required by regulations,~~ convey to the person making the application under section 30 information received from other Ministries or Agencies of the Royal

Government regarding any registration or approval given in respect of the proposed business of the company.

New Section after Section 40

The abbreviation for Public Limited is Ltd. and Private Limited is Pvt. Ltd.

Section 51

~~The Ministry may make regulations regarding the issue or transfer of shares or other securities to:~~

- a) ~~_____ a person who is not a citizen of Bhutan;~~
~~or~~
- b) ~~_____ a body corporate not incorporated in Bhutan.~~

~~Share ownership, issue and transfer, among Bhutanese or~~ **for foreign owners** ~~citizens and entities including corporate bodies shall comply with the relevant Act, Rules and Regulations~~ **shall be registered only in the name of beneficial owner who shall be reviewed and registered by the Regulatory Authority in accordance with relevant laws and bylaws, and shall exercise its power to investigate.**

New Section after Section 51

The Regulatory Authority shall supervise inter-corporate investments in shares and debentures by adopting regulations.

New Section before 127

The Regulatory Authority shall be primarily responsible for protection of minority shareholders.

Sections 127 to 129

Replace the word "Court" with "Regulatory Authority"

Section 130

Every **Board of** Public Company shall have at least three directors and every private company, **including One Person Company**, shall have at least two directors.

Section 131

Every **Board of** Public Company shall have at least three directors and every private company, **including One Person Company**, shall have at least two directors.

New Section after Section 132

An independent director has to get endorsement of the simple majority of the Annual General Meeting.

Section 137 (e)

is a director in more than ~~five~~ **three** public companies.

Section 159

For the purposes of section 158, the best interests of the company shall take into account, **among others the following:**

Section 160

The Regulatory Authority **shall** ~~may~~ establish a Code of Conduct for the governance of companies **and shall to** ~~The Code of Conduct shall~~ promote those conditions that will enable the pursuit of Gross National Happiness in accordance with Article 9, section 2 of the Constitution of the Kingdom of Bhutan.

New Section after Section 161

- (1) A Code of Conduct for ~~public company~~ **companies** should have policies on **business ethics**, auditing, risk management, good **corporate**

governance, ownership and HR management and Corporate Social Responsibility.

- (2) All ~~public listed and private~~ companies to **maintain Corporate Social Responsibility fund that shall be managed by a committee within a company** ~~contribute a certain minimum percentage of their net profit towards Corporate Social Responsibility.~~

Sections 163 to 170

Replace the word “Court” with “Regulatory Authority”

New Section after Section 170

In the event the shareholder is not satisfied with the decision of the ~~order of the~~ Regulatory Authority, then the shareholder may apply to the **High** Court.

Section 220

Retain as in the Bill

Section 221 (b)

by the signature **and/or digital signature** of:

New Section after Section 263

The Regulatory Authority may by adoption of regulation exempt the provisions of Sections 236, 237, 262 and 263.

Title of Chapter 14

The **Regulatory Authority** ~~Registrar of Companies~~

Section 382

~~There shall be an office for the purpose of the incorporation of companies and for such other purposes as are required by this Act.~~

The Office of the Registrar of the ~~company~~ shall be the ~~Regulatory Authority~~ established under this Act **is hereby established as an autonomous Regulatory Authority**. The Regulatory Authority as an ~~autonomous~~ body shall **be independent in** exercise ~~the~~ **of its** powers and functions prescribed ~~to be carried~~ under this Act ~~and~~ **or any other Act laws, and shall exercise such power and functions without fear, favour or prejudice.**

Section 383

~~The office shall be presided over by the Registrar.~~

The Regulatory Authority shall be presided over by a board comprising of seven members from relevant organizations excluding the company registrar who shall be the member secretary.

The board may consist of the following representatives:

- a) **The Minister of Ministry of Economic Affairs, Chairman**
- b) **The Secretary, Ministry of Finance**
- c) **Governor of Royal Monetary Authority**
- d) **Secretary General, Bhutan Chamber of Commerce and Industry**
- e) **One representative from the Royal University of Bhutan**
- f) **One representative from Professional Bodies including Accounting and Auditing Standards Board of Bhutan, and**
- g) **One independent Board Member with accounting, auditing, business or law knowledge.**

New Section after Section 383

The members of the Board, having been entrusted with sacred responsibility to serve Tsa-wa-sum shall not:

- (a) Indulge in such conduct that impinges on the performance of their official duties or tarnishes the image of the Authority or the country;**
- (b) Misuse their official positions.**

New Section after Section 383

The Board shall adopt a code of conduct for its board members, executives, and the authority's officers and staff which, among other things, shall require regular periodic disclosure to the board of each person's holdings and transactions in listed securities and those of his/her spouse and immediate family members.

Section 385

~~Wherever any action is directed by this Act or any other law to be done by or to the Registrar, it may be done by or to any Assistant Registrar.~~

The ~~commission~~ **Authority** shall also assume the functions of corporate affairs tribunal for conducting hearings and issuing of orders against companies and company officials including directors, Chief Executive Officer, principal officers or any other persons on cases of violations not involving imprisonment as penalty, under this law and any other laws prescribing offences related to companies and securities.

The proceedings before the tribunal shall be conducted in accordance with the provisions of Civil and Criminal Procedure Code of Bhutan.

The appeal from corporate affairs tribunal shall lie to the High Court for judicial review of the decision.

New Section after Section 385

Annual Report

The Authority shall prepare and submit to the Government and the Parliament an Annual Report on its activities during its financial year within four months after the close of its financial year. At the same time, it shall publish the said report on its website and in such other manner and at such time as the Authority deems fit.

Title of Chapter 16

~~Powers of Ministry~~ **Powers and Functions of the Regulatory Authority**

New Section before Section 404

The Regulatory Authority shall have the power to mobilize proper financial and human resources for effective administration and exercising its powers and functions.

New Section before Section 404

Regulatory Authority shall be vested with following powers and functions:

- (a) the incorporation or registration of Corporate entities and supervision of all corporate entities including listed companies.**
- (b) Issuing directives, rules and Regulations on all matters covered under this Act, and any other related laws in the area of corporate**

regulation, capital market supervision and securities.

- (c) Advising the government on matter covered under this Act or any law to be enforced by the Regulatory Authority.**
- (d) The Regulatory Authority may levy fees in respect of any matter under this Act.**
- (e) Making provisions for the resolution of disputes within or between companies in relation to the provisions of this Act or regulations hereunder.**
- (f) Making provisions for officials, staff, services and facilities to support the Regulatory Authority.**

Section 409 (25)

~~“Ministry” means the Ministry responsible for the administration of this Act.~~

New Definition after Section 409 (25)

“Minority Shareholder” is a person who is not a substantial shareholder.

Section 409 (34)

“Regulatory Authority” means an autonomous Authority established under chapter 14 of this Act.

- ~~(i) in respect of a listed company the office designated as regulator by law or by Government order, and~~
- ~~(ii) in respect of any other company, the Ministry.~~

New Definition after Section 409 (41)

“Substantial Shareholder” means is a person who either acting alone or through or in concert with one or more other person represents 10 percent or more

of the capital or the voting rights at the general meeting of the company or undertaking or exercise control over the management of the company or undertaking, as determined by the Regulatory Authority.

New Definition under Section 409

“One Person Company” means a company which has only one person as a member and a limited liability.

New Definition under Section 409

“Derivative proceedings” means law suit brought on behalf of a corporation by one or more of its shareholders against its Directors and/or officers to seek redress for a breach of fiduciary duty, gross negligence, mismanagement or other serious matter.

New Definition under Section 409

“Attachment or execution” is the legal process of seizing property to ensure satisfaction of a judgment. The document by which a court orders such a seizure may be called an order of attachment.

Sections 16, 21, 24, 32, 94, 96, 97, 208, 233, 238, 251, 264, 280, 323, 400, 404, 405 and 407

Replace the word “Ministry” or “Government” with “Regulatory Authority”

Voting Details on the adoption of Companies Bill 2015

Date: 1/12/2015: 1:24 pm; Total Votes: 19; “YES”: 19; “NO”:0; “Abstain”: 0

Following voted, ‘Yes’

1. Hon Tashi Wangyel
2. Hon Tashi Wangmo

3. Hon Pema Dakpa
4. Hon Dhan Bdr Monger
5. Hon Sonam Dorji
6. Hon Sangay Khandu (Gasa)
7. Hon Tashi Dorji
8. Hon Jigme Rinzin
9. Hon Jigme Wangchuk
10. Hon Nima
11. Hon Kamal Bdr Gurung
12. Hon Rinzin Dorji
13. Hon Kaka Tshering
14. Hon Tharchen
15. Hon Tempa Dorji
16. Hon Pema Tenzin
17. Hon Sonam Wangchuk
18. Hon Nima Gyeltshen
19. Hon Sangay Khandu (Samtse)

(Friday, 6th November 2015 corresponding to the 25th Day of the 9th Month of Wood Female Sheep Year of the Bhutanese Calendar)

4. Introduction to Framework Agreement (FWA) of European Investment Bank (EIB)

The Minister in-charge for Framework Agreement (FWA) of European Investment Bank (EIB), Hon Minister for

Finance said that the European Investment Bank was established in Rome by its 28 member countries and later has started its projects in 150 countries. Similarly, to avail such projects, Bhutan government has signed the agreement in 2014.

The main objective of the agreement, Hon'ble Minister said, are to promote private sector development, set and promote infrastructure, promotion and distribution of energy and finally to uphold socio-economic development. Moreover, it will immensely benefit towards climate change and private sector development. It was reported that-with these advantages, the government has signed the agreement and subsequently the National Assembly has endorsed the recommendations. Therefore, it's submitted to National Council for further approval.

To this, some of the Hon'ble Members questioned about the borrowing procedures for the small and big business and the medium of borrowings. On this, Hon'ble Minister said that the system of EIB is similar to that of other financials institutions and the size of the business depends on the policies in the country.

1.1. 4.1. Adoption of recommendations of FWA

The National Council, during its deliberation on Framework Agreement between the Kingdom of Bhutan and European Investment Bank (EIB) on 6th November 2015, resolved not to ratify the Framework Agreement on the basis of following objections and decided to submit to National Assembly for re-deliberation.

A. General Objections:

1. The FWA is an affront to Bhutan's sovereignty as the agreement openly undermines national laws, regulations, policies and guidelines. Further it undermines the supremacy of the courts of

Bhutan, including the Supreme Court by subjecting it to the decisions of the European Court of Justice.

2. Once the FWA is ratified by both Houses, it becomes a law of the country. Therefore, it is inconceivable for the National Council to ratify an agreement that becomes a law which in turn undermines the sovereignty of the state and supersede all other laws of the country. No amount of money, whether loan or even grant, can justify any person or institution, let alone the National Council from undermining the laws of the country.
3. Upon scrutiny and analysis, the FWA seems like a method designed to circumvent the External Commercial Borrowing Guidelines 2010. This guideline has been framed in view of the economic situation of the country and the circumstances of the financial sector must be upheld at all times.
4. The FWA requires Bhutan to accord privileges and immunities to the EIB at par with the World Bank and the Asian Development Bank. We cannot equate the EIB to the WB and ADB for the following reasons:
 - a. The EIB as described on their website states *“The EIB is the European Union's bank. We are the only bank owned by and representing the interests of the European Union Member States. We work closely with other EU institutions to implement EU policy.”*
 - b. On the other hand, the World Bank and the ADB are multilateral agencies established to promote economic and social development

in member states. In both the WB and ADB, Bhutan is a shareholder with voting rights and the Finance Minister of Bhutan has a seat on the Board of Governors.

- c. The unreasonable privileges granted to the European Investment Bank through this FWA will set the precedent for other similar institutions to seek similar privileges and immunities.
- d. The Agreement is unclear if sovereign guarantee shall be granted for private sector borrowings from the Bank.

B. Specific Objections

Article 1 Definition

The National Council objects to the extremely broad and generous definition of a Project to include “loan, guarantee, equity, quasi equity, or other financing instruments...” This effectively offers unlimited and unchecked avenues for the EIB to intervene in the domestic financial sector.

Article 2 Banks’ Activity

The National Council objects to this Article which overrides the legal and procedural requirements of the Financial Services Act 2011.

The FWA provides the EIB unlimited access to the domestic financial market by allowing it to: “freely pursue” *any activity within Bhutan based on the EIB Statutes and “not limited to financing by means of loan, guarantee, equity, quasi equity, or other financing instruments...providing Technical Assistance, investing in money markets buying and selling securities and other financial operations linked to such activity, borrowing*

funds under the laws ..and the operations of account in any currency”

The RGOB must ensure that the operations of the EIB in Bhutan are in line with the relevant laws governing the financial sector. Considering the nascent financial sector and the present macroeconomic and financial sector problems, opening the entire financial sector to external players could worsen the present problems.

Article 3 Taxation

The tax exemption granted by the FWA must be in line with existing laws and regulations. While the regular EIB staff may be exempt from taxes, the consulting assignment awarded by the Bank to international or local consultants (whether firms or individuals) cannot be exempt from applicable taxes such as sales tax and income tax. This provision contradicts Chapter 1, Section 2.1 (a) of the Income Tax Act of the Kingdom of Bhutan 2001.

Article 4 Currency Convertibility and Transfer of Funds

This National Council objects to this Article as it is contrary to the provisions of Bhutan Foreign Exchange Rules and Regulations and FDI Rules and Regulations 2005 and External Commercial Borrowings Guidelines 2010. These rules and guidelines have been drafted to protect Bhutan’s economic interest and ensure proper management of convertible currency reserves.

Article 5 Treatment of Project and Bank Activities

Article 5(a) requires Bhutan to accord EIB financed projects and contracts similar treatment to World Bank and ADB activities in Bhutan.

World Bank and ADB projects are typically government projects which enjoy certain concessions related to fiscal, customs and other matters.

However, if EIB finances private projects, then such concessions must be in accordance with law.

Hence the National Council objects to such blanket concessions to all EIB projects without distinction between government projects and private projects.

Article 7 Bank Status and Treatment

The National Council objects to this Article (including the 5 Sections) which seek to override all national laws, rules and regulations making the EIB (a Bank owned by EU and directed by EU policies) an entity equivalent to public bodies in Bhutan (including the state) but unaccountable to Bhutanese laws and institutions.

For example Article 7 (2) of the Agreement grants the EIU “*free access to national financial markets*” and Article 7(4) states that when carrying out this agreement the Bank “*shall be exempt from any licenses permits, or any other authorization in whatever form which may be required for similar activities under any applicable domestic law.*”

The National Council objects to this Article as it undermines the intent and spirit of the rule of law making Bhutan’s laws subservient to EU policies and EIB Statutes. More specifically this article is in direct contravention to various provisions of the Financial Services Act such as

FSA (285) A person in the business of effecting transactions in securities for the account of others or in the business of dealing in securities for his own account (but not simply an investor) shall obtain a license as a securities broker.

Financial Services Act Chapter 3 (11)

No person shall offer financial services as a business without obtaining the appropriate license under this Act or the regulations under it; nor shall any individual fulfill a function on behalf of a financial services business without the license or registration, if any, required by this Act or the regulations under it.

Article 8 Privileges and Immunities of the Bank and its Representatives

Article 8 on privileges and immunities are unreasonable as this Article grants immunity to Bank personnel similar to diplomatic missions or International Organizations in Bhutan. This includes immunity from legal and administrative proceedings and also **unhindered travel** and exemption of Bank officials from **immigration restrictions**.

The EIB cannot be compared to the World Bank and the Asian Development Bank as elaborated in General Observations (Section 4) pertaining to General Obligations.

The National Council objects to granting a blanket exemption from immigration laws of the country and other immigration formalities which will undermine most of the fundamental laws to ensure the security and sovereignty of the country.

Article 9 Settlement of Disputes

The National Council objects to the Article as it is an affront to the sovereignty and dignity of the Kingdom of Bhutan.

This Article effectively makes the Judiciary of Bhutan, subservient to the Court of Justice of the European

Union or any court of the member state of the European Union or any arbitration tribunal by waiving off any immunity or right to object to the decisions of foreign entities for business conducted in Bhutan.

Article 14: Expiry

The National Council objects to the unequal provision of this article where by the EIB can terminate the Agreement without any notice. On the other hand the government of a sovereign country has to provide 6 months notice. Such and unequal provision is neither in the agreement between the EIB and Tajikistan nor between EIB and South Africa. Hence the agreement is one sided and places Bhutan at a considerable disadvantage.

Voting Details on the adoption of withdrawal of the Framework Agreement (FWA) between the Kingdom of Bhutan and European Investment Bank (EIB)

Date: 6/11/2015: 4:29pm; Total Votes: 21; “YES”: 20; “NO”:1; “Abstain”: 0

Following voted, ‘Yes’

1. Hon Tshering Dorji, Dy Chairperson
2. Hon Tashi Wangyel
3. Hon Tashi Wangmo
4. Hon Pema Dakpa
5. Hon Dhan Bdr Monger
6. Hon Sonam Dorji
7. Hon Sangay Khandu (Gasa)
8. Hon Tashi Dorji
9. Hon Sangay Khandu (Samtse)
10. Hon Jigme Rinzin

11. Hon Jigme Wangchuk
12. Hon Nima
13. Hon Kamal Bdr Gurung
14. Hon Rinzin Dorji
15. Hon Kaka Tshering
16. Hon Tempa Dorji
17. Hon Pema Tenzin
18. Hon Sonam Wangchuk
19. Hon Nima Gyeltshen

Following voted “NO”

1. Hon Tharchen

5. SAARC Framework Agreement for Energy Cooperation (Electricity)

The Minister In-Charge for SAARC Framework Agreement for Energy Cooperation (Electricity), Hon’ble Minister for Economic Affairs said that the first agreement drafted as per the resolution of the 2010 SAARC summit held in Thimphu, Bhutan, was endorsed its review by 8 member countries in 2014.

While briefing on the the rationale of the agreement, Hon Minister reported that the agreement will primarily strengthen and integrate the trading of energy amongst the SAARC countries. Further, it will ensure security of transmission lines; regulate export and import of power, increase volume of trade and gain advantage in research and others. Therefore, upon endorsement of the recommendations by the National Assembly of the signed agreement by the Government, it’s submitted to the National Council for further endorsement.

1.2. Adoption of the recommendations of Agreement

The National Council deliberated on the SAARC Framework

Agreement for Energy Cooperation (Electricity) on 6th November 2015 and has decided to submit the adopted recommendations to His Majesty the King for Royal Assent.

Voting details on the adoption of recommendations for SAARC Framework Agreement for Energy Cooperation (Electricity)

Date: 6/11/2015: 05:31PM; Total Votes: 20; “YES”: 20; “NO”:0; “Abstain”: 0

Following voted, “YES”

1. Hon Tshering Dorji, Deputy Chairperson
2. Hon Tashi Wangmo
3. Hon Tashi Wangyel
4. Hon Nima
5. Hon Pema Tenzin
6. Hon Sonam Dorji
7. Hon Sangay Khandu (Gasa)
8. Hon Tempa Dorji
9. Hon Sonam Wangchuk
10. Hon Kaka Tshering
11. Hon Jigme Rinzin
12. Hon Rinzin Dorji
13. Hon Jigme Wangchuk
14. Hon Sangay Khandu (Samtse)
15. Hon Dhan Bdr Monger

16. Hon Nima Gyeltshen
17. Hon Tashi Phuntsho
18. Hon Tharchen
19. Hon Kamal Bdr Gurung
20. Hon Pema Dakpa

6. United Nations Convention Against Corruption (UNCAC)

The Minister-in-charge for United Nations Convention Against Corruption (UNCAC), Hon'ble Minister for Home & Culture Affairs said that the convention was adopted in 2003 and Bhutan started its implementation from 2005 after its ratification.

The main objective of the convention is to prevent growing concern of corruption through intervention of strict policies and also to address the global concerns. For Bhutan, the convention was firstly reviewed by the Ministry of Foreign Affairs before submitting to the Cabinet and subsequently endorsed by the National Assembly. Therefore, it's submitted to National Council for further endorsement.

6.1. Endorsement of the recommendations

The National Council deliberated on the United Nations Convention Against Corruption on 12/11/2015 and decided to submit recommendations to National Assembly with the following reservation for redeliberation as per article 13.7 of the Constitution of Bhutan.

Reservation:

“The Royal Government of Bhutan shall not be bound by paragraph 2 of Article 66 of the United Nations Convention against Corruption”

**Voting Details on the adoption of recommendations
of United Nations Convention Against Corruption
(UNCAC)**

Date: 12/11/2015: 10:39AM; Total Votes:21; “YES”: 21;
“NO”:0; “Abstain”: 0

Following voted, “YES”

1. Hon Tshering Dorji
2. Hon Tashi Wangyel
3. Hon Tashi Wangmo
4. Hon Pema Dakpa
5. Hon Dhan Bdr Monger
6. Hon Sonam Dorji
7. Hon Sangay Khandu (Gasa)
8. Hon Tashi Phuntsho
9. Hon Tashi Dorji
10. Hon Sangay Khnadu (Samtse)
11. Hon Jigme Rinzin
12. Hon Jigme Wangchuk
13. Hon Nima
14. Hon Kamal Bdr Gurung
15. Hon Rinzin Dorji
16. Hon Kaka Tshering
17. Hon Tempa Dorji
18. Hon Pema Tenzin
19. Hon Sonam Wangchuk

20. Hon Nima Gyeltshen

(Wednesday, 18th November 2015 corresponding to the 10th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

F. Issues related to Review of Policies

1. Report on the Review of Tourism Policy and Strategies

The National Council has discussed about the tourism policy and strategies in the past sessions through oral questions with government Ministers; it was deliberated during budget discussions. Moreover, the Paro Retreat has identified it as one of the important issues and subsequently, the 14th session of National Council has directed the Economic Affairs Committee (EAC) to conduct review works. So in accordance with the direction of the House, EAC has reviewed tourism policy and strategies and presented its interim report in the 15th session. The committee has reviewed the policy and strategies with primary objectives as to see whether we need a tourism act as a legal instrument to guide the overall tourism development in the country and to understand the tourism sector issues and challenges and to provide constructive recommendation to the Government.

Since the inception of the tourism industry in mid 1974, Bhutan has followed a policy of “high value, low volume” tourism. All tourists are required to wire a fixed minimum tariff of US\$ 250 per person per day. This includes a Royalty payment of US\$ 65 per person per day.

The number of dollar paying tourists till 2008 stands at about 27,000 and by 2014, this number surged dramatically 133,480 tourists in total. In 1990 there were 33 licensed tour operators and the number of tour operators increased dramatically and is said to be 1700 today. However, there are no adequate rules and policies in place

It was reported that tourism sector needs to be further strengthened with the promotion in the main institutions related to tourism sector including tour operators, hotels and restaurants and guides association. The emerging issues and concerns of the sector comprise of poor regional spread of tourism, minimal local benefits, weak inter agency coordination, relevance of the pricing/tariff model and issue of undercutting.

1.1. Deliberations on the Bill

The National Council deliberated extensively on the tourism policy and strategies on 18th, 19th November and 1st December 2015 and decided as follows:

The National Council;

1. *Respecting* the sacred principles enshrined in Article 10.2 of the Constitution: “Parliament shall ensure that the Government safeguards the interests of the nation and fulfils the aspirations of the people through public review of policies and issues, Bills and other legislations, and scrutiny of State functions” and ;
2. *Adhering* to Section 7 of the National Council Act which states that: “The National Council shall ensure that the Government safeguards the interests of the nation and fulfills the aspirations of the people through public review of policies and issues, Bills

and other legislation, and scrutiny of State functions”;

3. *Acknowledging* the significant role of the tourism sector in economic and social development of the country, including the potential for employment generation, rural development, foreign exchange earnings, etc., and in fostering friendly relations with visitors from around the world;
4. *Cognizant* of the tremendous social, economic and political transformations that have taken place within Bhutan, and globally, since the introduction of tourism in the country almost 50 years ago and the need to promote Bhutan as a high value destination;
5. *Recognizing* the emerging tourism related challenges, concerns and issues faced by the country and the various stakeholders and the potential to benefit the country and people from further sustainable development of the sector;

The National Council hereby calls on the Government to:

1. Urgently frame a comprehensive Sustainable Tourism Policy for development, management and promotion of this important sector in line with national development plans and priorities, and to improve inter-agency coordination;
2. Draft a Tourism Bill to provide the legal basis to regulate the sector and provide a strong mandate along with clear authority and accountability of the Tourism Council of Bhutan;
3. Uphold current policy to promote Bhutan as a high-value destination by focusing on enhancing yield and quality through product diversification,

infrastructure development and not just emphasizing on increasing the volume of tourists alone;

4. Conduct research on maximum carrying capacity of the economy, environment and society so that tourism does not overwhelm our country and people;
5. Spread the benefits of tourism to other parts of the country by:
 - a. Improving tourism related infrastructure along with reliable road and air transport networks.
 - b. Connecting the domestic airports in Bumthang, Yonphula and Gelephu with regional airports like Kolkata, Kathmandu and Dhaka to provide direct and easy access for tourists to south, east and central parts of Bhutan.
 - c. Opening of immigration counters in Samdrup Jongkhar and Gelephu for ease of entry and exit of tourists.
 - d. Improving coordination with local government leaders and the relevant Ministries and agencies to promote cultural and ecological related tourism especially those activities that directly benefit people living in rural areas.
 - e. Address issues related to seasonality of tourism offering innovative packages to encourage and target travelers during lean seasons including domestic tourism.
6. Reform the archaic tourism pricing mechanism adopted in the 1970s by moving from the fixed minimum daily tariff system to a more transparent pricing system that provides tourists greater value for money and discourages the

malpractice of undercutting and improves higher value tourism. This recommendation would entail retaining or even increasing the royalty component (sustainable tourism fee) and requiring tourists to be routed through local tour operators and using local tour guides;

7. Adopt reasonable measures to improve the quality of services and enhance safety and experience of regional tourists visiting Bhutan. This includes requiring regional tourists to use local agents, guides and transport companies for their safety and to ensure that unregulated and unguided tourists do not come to conflict with the laws and cause social, religious and cultural offences unknowingly;
8. Develop tourism and hospitality professionals by providing scholarship & leadership training opportunities while also improving and monitoring the quality of training imparted to tour guides by various training institutes; and
9. Streamline existing recruitment procedures and rules pertaining to foreign tourism professionals and trainers to enable development of local tourism sector professionals.

Further the National Council calls on the Royal Audit Authority to conduct a Special Audit to:

2. Examine the tax files and activities of the tourism sector and ascertain the prevalence of tourism malpractice popularly known as “undercutting.”

Hereby, the National Council shall submit to the Government a reviewed report on the Tourism Policy and strategies.

**Voting Details on the adoption of recommendations
on the review of Tourism Policy and Strategies**

Date: 1/12/2015: 1:36pm; Total Votes: 20; “YES”: 19;
“NO”:0; “Abstain”: 1

Following voted, ‘Yes’

1. Hon Tashi Wangyel
2. Hon Tashi Wangmo
3. Hon Pema Dakpa
4. Hon Dhan Bdr Monger
5. Hon Sonam Dorji
6. Hon Sangay Khandu (Gasa)
7. Hon Tashi Phuntsho
8. Hon Sangay Khandu (Samtse)
9. Hon Jigme Rinzin
10. Hon Jigme Wangchuk
11. Hon Nima
12. Hon Kamal Bdr Gurung
13. Hon Rinzin Dorji
14. Hon Kaka Tshering
15. Hon Tharchen
16. Hon Tempa Dorji
17. Hon Pema Tenzin
18. Hon Sonam Wangchuk
19. Hon Nima Gyeltshen

Following abstained from voting:

1. sHon Tashi Dorji

(Friday, 27th November 2015 corresponding to the 17th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

2. Report on Hydropower Policy and Programmes

In continuation to the interim report submitted in the 15th session of the National Council, the ad hoc committee members comprising of Hon Members of Gasa, Lhuntse, Pema Gatshel, Tsirang and Trongsa presented its final report on the review of Hydropower Policy and programmes to the House. It was reported that the issues related to hydropower policy and programme have been deliberated during the past sessions while discussing the Annual Anti-corruption Commission Report, during the deliberations on the Annual budget and also recommended to the Government during the oral question hour session.

The main objectives of this policy review, as reported, are to identify the obstacles and opportunities which exist in the current policy, legal and organizational frameworks that regulate hydropower planning, development and management and also it's to be in a position to make recommendation(s) on how the existing policy, legal and organizational frameworks can support or hinder sustainable hydropower development.

The committee in its task of reviewing hydropower development reviewed existing laws and policies such as Economic Development Policy of the Kingdom of Bhutan 2010, SAARC Framework Agreement for Energy Cooperation (Electricity), Electricity Act of Bhutan 2001, Land Act of Bhutan 2007, Water Act of Bhutan 2011, Labour and Employment Act and Policies.

The committee has recommended for equal treatment of ownership of shares for all Bhutanese, ensure proper implementation of approved laws, review and improve

policies and systems, carry corporate responsibility, consider uniform compensation for affected people and proper coordination between relevant stakeholders. It was also recommended to ensure proper criteria and planning for the projects, improve Detailed Project Reports and prevent cost escalations through various strategic measures.

The challenges in hydropower development comprise of lack of hydropower revenue management, absorptive capacity, single export market, cost escalations and geological surprises, financing, knowledge and technology transfer, discrepancies between the policy and memorandum and impact of hydropower projects on Gross Domestic Product (GDP). However, the opportunities include abundance of water resources, employment generation, hydropower development beyond hydropower, enhancement of energy sector through SAARC Energy Cooperation Agreement on Energy (Electricity), working towards energy security, loan servicing capacity of hydropower projects and enhancing Clean Development Mechanism.

2.1 Deliberation on the issue

The National Council deliberated extensively about the hydropower policies and strategies on 27-28/10/2016 and 8th December 2015 and decided as follows:

The National Council,

1. *Considering* the critical role of hydropower in economic growth and development of country, hereby calls upon the Royal Government to;
 - 1.1. Revisit the initial plans and develop alternative plans and policies to sustain the desired economic growth levels,

- 1.2. 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.
 - 1.3. Direct GNHC to align local development with hydropower development plans. Even though millions flow in as investment in hydropower projects, the trickledown effect on local economies has been minimal with many of the opportunities left untapped, e.g., local food production, housing, etc, have not benefitted.
 - 1.4. Include Hydropower development within the FYPs and consequently reflect in the annual budgets. Additionally, audit reports should be submitted to Parliament thereby strengthening parliamentary oversight function.
 - 1.5. Ensure a proper arrangement with the investors to minimize disruption in fund flow to avoid project delays and related cost escalations. A factor that has contributed to cost escalations has been delay in fund disbursement.
2. *Respecting* His Majesty the King's vision of developing and utilizing hydropower to benefit all the Bhutanese people for all times to come, calls upon the Royal Government to;
 - 2.1. 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.

It is also recommended that the highly beneficial projects implement through the intergovernmental model with concessional financing and full ownership of projects be pursued in preference to Joint-venture projects which entails partial ownership, loss of management control and tougher financing modality.

3. *Noting* that the preparation of Pre-Feasibility Reports and Detailed Project Reports are an integral part of hydropower development process and these works have been carried out by non-Bhutanese, essentially failing to facilitate build up of Bhutanese expertise making it difficult to place accountability where quality of work is concerned, calls upon the Royal Government to;
 - 3.1. Give preference in the preparation of PFRs/DPRs to Bhutanese and local consulting firms,
 - 3.2. Frame a guideline for preparation of DPRs (including PFRs) based on lessons learnt from hydropower development to facilitate in preparation of good DPRs. Comprehensive DPR preparation and techno-economic vetting needs to be carried out by a non-related third party before implementation decision is taken including major deviations.

- 3.3. Support a mechanism to improve project costing by taking into account time gap between DPR preparation and actual commencement of project by providing an updated DPR cost on the project commencement date, based the learning from past experiences of hydropower projects and looking at their cost escalations.
4. *Recalling* the concerns of not having national experts due to lack of knowledge and technology transfer even after three decades of hydropower development in the country, call upon the Royal Government to,
 - 4.1. Strengthen the role of Druk Green Power Corporation in hydropower development as below:
 - 4.1.1. Consider strengthening the role of DGPC as member to the Empowered Joint Group and in the Technical Coordination Committee.
 - 4.1.2. Take a lead role in accelerating hydropower development.
 - 4.1.3. Build capacity in hydropower development.
 - 4.2. Initiate to develop institutional capacity and creation of Bhutanese talents in hydropower planning and designing to reduce over-dependence on external expertise.
 - 4.3. Encourage savings and reinvestment from hydropower projects by way of revenue management. Declaration of dividends and therefore retention of profits for plough back is an avenue for consideration.

5. *Realizing* that cost plus model includes all the cost escalations during the construction phases and eventually add on to the tariff, calls upon the Royal Government to;

Ensure optimal utilization of resources during the project implementation to address rising electricity price under the cost plus tariff setting model.

6. *Acknowledging* the discrepancy between the related policies, calls on the Royal Government to;

- 6.1. Address the discrepancy between the BSHDP 2008 and EDP concerning royalty energy contribution percentages that contradict one another at the moment.

- 6.2. Reconsider the requirement of royalty energy at the end of a concession period if and when the government decides to let other producer(s) take over hydropower plant(s) or enters into new contract(s). Royalty energy commitment from concessionaires on extended concession period needs to be reconsidered.

7. *Noting* that the non-compliance to the provisions of the Laws and Policies related to development of hydropower in the country is a serious concern, calls upon the Royal Government to;

- 7.1. Comply with the provision of BSHDP 2008 and deposit 1% royalty in cash to Ministry of Agriculture and Forest for conservation of integrated water resource management.

- 7.2. Strengthen the national employment policies and laws, where MoLHR is mandated to take up lead in ensuring capacity building and absorption of Bhutanese in projects, given

the dire situation of unemployment in the country and youth unemployment in particular.

- 7.3. 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 acted upon.
 - 7.4. Draw up a clear procedural, criterion framework for use of rehabilitation, resettlement and local development plan fund. Differences between the usages of local development plan by different hydropower projects are a source of concern. There is need to incorporate consultative procedure with the local development committee as the policy requires.
 - 7.5. Provide clarity in Institutional mandate and responsibility for social impact assessment unlike for environment where NEC has been mandated.
8. *Acknowledging* the visible instances where the Land Act of Bhutan 2007 has been disregarded by implementing agencies. The provisions in the Land Act of Bhutan 2007 concerning acquisition of private lands for public and national purposes must be followed strictly and the laws once passed must be respected and if provisions found unsuitable, it must be amended but cannot be ignored, calls upon the Royal Government to;

- 8.1. Re-align the compensation measures concerning affected private lands in order to dissolve away increasing sentiments of unfair compensation among the public. Present approaches to compensation to private land owners differ from road construction and other public amenities to hydro- projects.
- 8.2. 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).

Voting Details on the adoption of recommendations on the review of Hydropower Policy and Programmes

Date: 8/12/2015: 4:01pm; Total Votes: 22; “YES”: 19; “NO”:0; “Abstain”: 3

Following voted, ‘Yes’

1. Hon Tshering Dorji, Dy Chairperson
2. Hon Tashi Wangyel
3. Hon Tashi Wangmo
4. Hon Pema Dakpa
5. Hon Dhan Bdr Monger
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Tashi Phuntsho
9. Hon Tashi Dorji
10. Hon Sangay Khandu (Samtse)
11. Hon Jigme Wangchuk
12. Hon Nima

13. Hon Kamal Bdr Gurung
14. Hon Kaka Tshering
15. Hon Tharchen
16. Hon Tempa Dorji
17. Hon Pema Tenzin
18. Hon Sonam Wangchuk
19. Hon Nima Gyeltshen

Following abstained from Voting:

1. Hon Phuntsho Rabten
2. Hon Kelzang Chuki Dorji
3. Hon Karma Tshering

(Tuesday, 1st December 2015 corresponding to the 21st Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

3. Local Governance Assessment Report

The Chairperson of the Good Governance Committee (GGC), during the presentation of the report, stated that the report was prepared in adherence to the decision of the 15th session of the House, where GGC was assigned to carry out Local Government Diagnostic study. Accordingly, a foreign consultant in consultation with GGC, Gross National Happiness Commission and Department of Local Governance, with technical and financial support from Swiss Development Fund, has carried out the LG assessment study.

As Good Governance is one of the pillars of Gross National Happiness (GNH), the study was conducted in order to align the local government activities with good governance, extend decentralization, consider public

interest and improve governance. It's also to enhance self reliance, ensure balanced regional development and to refine policies as per the principle of the 11th Five Year Plan.

During the presentation, it was reported that the main objectives of the study were to look at the outcomes of the local government; see the situations in the current systems and the strategies to address them. It's also carried with the aim to find out the human resource planning in the local governments. Decentralization in three areas especially the policy, administrative and financial powers are highlighted during the consultation meetings held between the central and local government agencies.

2.1. *Deliberation on the report*

The National Council, after extensive deliberations on 1st and 2nd and 7th of December 2015, decided as follows:

The National Council,

1. *Respecting* Article 22(1) of the Constitution of the Kingdom of Bhutan that states:

“Power and authority shall be decentralized and devolved to elected Local Governments to facilitate the direct participation of the people in the development and management of their own social, economic and environmental well-being”;

2. *Acknowledging* that efforts have been made by the Royal Government in promoting decentralization process through strengthening of local governance system and, thereby improving transparency, accountability and participation;
3. *Recognizing* that having efficient and effective Local Governments is vital for realizing the noble

objective of decentralization process and in ensuring regionally balanced and sustainable socio-economic development;

4. *Confirming* that the following are the challenges affecting the efficiency and effectiveness of the local governments:
 - a) There is a high level of citizen's engagement in annual participatory planning process. However, the quality of outcome is questionable as the Local Government plans in most cases are merely an uncritical aggregation of respective gewog and sector activities that are not well coordinated. In addition, women and youth hardly voice out their concerns at the planning meetings owing to socio-cultural barriers. As a result, there is risk of small "local elite" influencing the decisions.
 - b) The Local Government Act 2009, Local Government Rules and Regulations 2012, and Local Development Planning Manual 2012 require the establishment of appropriate mechanisms to ensure transparency and accountability to citizens, and that of Standing Committees to carry out indepth study on the issues for discussion in the Dzongkhag Tshogdu and Gewog Tshogde. But they are not fully implemented. In fact, apart from the Disciplinary Committee, none of other Standing Committees are established in most Dzongkhags and Gewogs.
 - c) The system of Social Accountability and complaint redressal mechanisms are either weak or non-existent that have dissuaded communities from holding Local Government's decision makers accountable.

- d) There are mixed types of administrative decentralization among deconcentration, delegation and devolution, which may have created confusion among various stakeholders on their roles and responsibilities.
- e) There is weak vertical and horizontal coordination between the agencies. For example, the Local Governments currently have to report to several different central agencies like the Local Development Division, Department of National Budget, Department of Public Accounts, and line Ministries depending on the nature of the subject. In addition, there is very weak oversight role carried out by the Department of Local Governments over the Dzongkhag administrations, and Dzongkhag administrations over the Gewogs at all stages of development planning process.
- f) The planning, human resource deployment and Annual Capital grant allocation formats are uniform across all Local Governments. This “one-size-fits-all” approach has hampered in catering to local needs of the local governments.
- g) The Local Governments’ own source revenue generation is still low as the rates are based on the tax structure of the Tax Policy 1992. In addition, there is lack of transparency and accountability on the utilization of fees, tolls, charges collected from the communities by the gewog administrations.
- h) The implementation of Annual Performance Agreement, Planning and Monitoring System, Public Expenditure Management System serve as the mechanisms to assess performance of the Local Governments against their annual plans.

But there is no single tool that captures overall development profiling of each Dzongkhag and Gewog. Such tool would help provide comparative information on the developmental achievements made by the Dzongkhags and Gewogs.

Hereby, recommends the Royal Government to:

1. Develop a consolidated National Decentralization Policy supplemented by a Strategic Decentralization Implementation Plan that will set a clearer pathway and future direction for decentralization process in the country.
2. 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. Strengthen the capacity of Department of Local Government to provide strategic leadership and effective oversight role for decentralization process, oversee stakeholders' compliance with the Local Government Act and a decentralization policy, execution of a decentralization implementation plan, capacity development, and coordination with central agencies.
4. Initiate citizens' empowerment programmes (e.g dissemination of information through community radio programmes) to increase public awareness

on what is and what can be expected from LGs and local leaders and strengthen their capacities to participate in local development processes through critical dialogue and active engagement. And also initiate mechanisms to involve community based organizations in local planning, monitoring and evaluation processes as that will enhance the quality of the outcome.

5. Create awareness on the Local Government Act, Local Government Rules and Regulations, Local Development Planning Manual among the stakeholders, and conduct regular review on their compliance with these legal documents;
6. Institute social accountability mechanisms and effective LG complaints and redressal mechanisms and simultaneously conduct community awareness programmes to provide guidance to communities where to file complaints. Furthermore, ensure that effective follow-up mechanisms are established.
7. Set up learning and exchange platforms among LG functionaries including Tshogpas.
8. Review and revise the 1992 tax policy to expand the LG revenue base. Establish a transparent and accountable mechanism for collection and utilization of other fees, tolls, and duties by the Local Governments.
9. Consider adapting more flexible formula for the release of the Annual Capital Grant so that LGs with specific funding needs can be allowed to receive higher amounts than the evenly divided 20% from the five year Multi-Year Rolling Budget

in years where capital works require higher investments.

10. Consider introducing Local Government development achievement profiling tool to gauge development progress of each Dzongkhag and plan development activities accordingly.

Voting Details on the adoption of recommendations on the Local Governance Assessment study

Date: 8/12/2015: 1:14pm; Total Votes: 22; “YES”: 19; “NO”:0; “Abstain”: 3

Following voted, ‘Yes’

- 20.Hon Tshering Dorji, Dy Chairperson
- 21.Hon Tashi Wangyel
- 22.Hon Tashi Wangmo
- 23.Hon Pema Dakpa
- 24.Hon Dhan Bdr Monger
- 25.Hon Sonam Wangchuk
- 26.Hon Sangay Khandu (Gasa)
- 27.Hon Tashi Phuntsho
- 28.Hon Tashi Dorji
- 29.Hon Sangay Khandu (Samtse)
- 30.Hon Jigme Wangchuk
31. Hon Nima
- 32.Hon Kamal Bdr Gurung
- 33.Hon Kaka Tshering
- 34.Hon Tharchen
- 35.Hon Tempa Dorji

36. Hon Pema Tenzin
37. Hon Sonam Wangchuk
38. Hon Nima Gyeltshen

Following abstained from Voting:

1. Hon Phuntsho Rabten
2. Hon Kelzang Chuki Dorji
3. Hon Karma Tshering

(Thursday, 3rd December 2015 corresponding to the 23rd Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

4. Report on the review of Employment Policies, Programs and Strategies

The Social and Cultural Affairs Committee, as directed by the House during 14th session National Council presented its interim report on the review of employment policies, programs and strategies in the 15th session and final review report.

Considering the issues of unemployment in the country, His Majesty the King during 106th National Day celebration has commanded it to be a matter of concern. Likewise, the issue has been discussed several times in the past sessions of National Assembly as well as in the present parliament and accordingly, numerous measures have been identified. It's reported that the unemployment, though fractional, existed since the 1st Five Year Plan; however, the concern has grown over the years. Today, the issue is a big concern and it may not only affect the physical and mental states of the unemployed persons but could also lead to individuals committing suicide and crimes.

Social and Cultural Affairs Committee, during its review on this matter, has prioritized employment generation

and promotion as its basis for review. Due to vastness of the issue and constraint of time and human resource, the committee has outsourced the research on employment promotion to Royal University of Bhutan.

It was reported that the employment generation sectors comprise of agriculture, tourism, construction, hydropower, civil service, tertiary education institutes, electoral offices, corporations, information technology, cottage industries and foreign direct investments. In additional, it was that the employment generation could be promoted through enhancement of programs, rules and internal services.

4.1. Deliberations on the issue

The National Council deliberated extensively on the issues related to Employment Policies, Programs and Strategies on 3rd, 4th and 7th of December 2015 and decided as follows:

The National Council,

1. *Noting* that unemployment is one of the biggest economic and social challenges facing our country but that the responsibility of addressing it has been sectoral, hereby calls upon the Royal Government to:
 - 1.1. Ensure that every agency and sector prioritizes employment creation and promotion as a priority program and establish a mechanism of coordination among them,
 - 1.2. Develop comprehensive and long-term policies and strategies to promote

entrepreneurship by recognizing it as key to generating employment in view of saturation in the public sector and limited employment opportunities even in existing private sector,

1.3. Review curriculum to ensure, amongst others, that:

1.3.1. Children's understanding, appreciation, attitude and interest in agricultural and technical education and vocation are developed early on and steadily enhanced,

1.3.2. Children are imparted knowledge and skills in anticipation of the changing dynamics of our economy in future,

1.4. And review salary and wage structure of labor force in relation to the nature of work, location of workplace and living standards in such locations and ensure enforcement of system of occupational safety, leave rules, work hours, insurances and retirement benefits in order to attract young people to take up blue-collar employment as per Labor and Employment Act 2007.

2. *Noting* that the huge potential of Agriculture Sector in creating employment has hardly been recognized and the trend of growth in this sector had been sluggish although a huge section of our population and the poor depend on it for livelihood calls upon the Royal Government to:

2.1. Consider increasing budgetary allocation and investments in this sector

- 2.2. Ease land lease procedures to make them more efficient in order to encourage establishment of cooperatives, farmers groups and agriculture-related enterprises by those who either own little or no landholdings.
 - 2.3. Identify agriculture as a priority sector and enhance access to credit facilities by ensuring financial institutions compliance to licensing conditions of expanding Banks'' reach and regional coverage. Also review the current interest rates and work towards affordable credits to farmers.
 - 2.4. And create and support a mechanism of assisting farmers, herders and the illiterate lot in incubating business ideas and drafting project proposals.
3. *Acknowledging* that the Tourism Sector has steadily generated lots of employment opportunities, recommends the Royal Government to capitalize upon Bhutan's potential as destination for MICE (meetings, Incentives, Conferences and Exhibitions) in order to diversify tourism products and accelerate growth and employment opportunities.
 4. *Recognizing* that skills transfer and human resource and capacity building are essential to acquiring know-how and assuming responsibilities shouldered by expatriates, calls upon the Royal government to;
 - 4.1. Monitor, evaluate and ensure compliance by FDI business establishments whereby Bhutanese are trained and eventually

employed at all levels of businesses in accordance with FDI Policy.

- 4.2. Liaise with hydropower project authorities to,
 - 4.2.1. Facilitate capacity building and skills development through proper recruitment and deployment so that limited progress in such efforts after 30 years of hydropower project constructions (as evidenced by current employment of only 10,987 Bhutanese from a total of 51,665 employees) is expedited.
 - 4.2.2. Create enabling arrangements for Construction Development Corporation Limited to work in hydropower construction activities in view of its track record of employing cent percent Bhutanese nationals and its potential of recruiting more Bhutanese for such opportunities in hydropower sector.
- 4.3. Direct the MoWHS to co-ordinate with Project DANTAK to phase-in responsibilities in areas of road constructions to national agencies so that employment in this sector is available to Bhutanese people who now have human resource, engineering and other capacities.
5. *Recalling* the concerns of graduates from colleges of education in 2015 when only 182 from a total of 417 were recruited and 200 employed on contract, calls upon the Royal Government to conduct long-term need assessment of teachers in various disciplines in order to:

- 5.1. Align them with the size of recruitment of teacher-trainees in the colleges in future,
 - 5.2. Ensure that teachers have appropriate trainings in disciplines that are in demand for overseas employment,
 - 5.3. Ensure that recruitment and training of teachers also consider the projections for private schools and colleges that would be established to cater to education needs of Bhutanese children,
 - 5.4. And ensure that such need assessment and training consider other vocations such as nurses, extension workers etc.
6. *Recognizing* Information and Communication Technologies as important development tool and Information Communication Technology as the most potential job generating sector in most of the countries, calls upon the Royal Government to:
- 6.1. Shift focus towards Information and Technology/ITES industry development having put in place the supporting infrastructure along with the enabling plans and policies.
7. *Appreciating* efforts of the Royal Government in initiating and sustaining vocation training programs and instituting employment schemes, recommends the Royal Government to:
- 7.1. Realign or merge Direct Employment Scheme and Youth Employment Scheme since their target beneficiaries are the same and segregate the promotion and regulation

aspects of Youth Employment Promotion Programs to avoid conflicts between them.

- 7.2. Extend support under such schemes to youth who take up farming or other agricultural activities.
 - 7.3. Monitor and evaluate these schemes since substantial resources are invested in them in order to determine the achievements of the intents and objectives.
 - 7.4. Create awareness on job portal system among job seekers, provide clarity on online feedback system and place job help centers in convenient and accessible locations to provide both long-term and short-term career counseling, job information, education-to-work transition seminars and orientation for employees and employers.
 - 7.5. Institute service manual system based on the specific needs of different sectors to overcome limitations and challenges of uniform service rules for all sectors.
 - 7.6. And re-activate in-house dispute settlement body to address grievances of employers and employees.
8. *Recognizing* that the Constitution, National Council Act, National Assembly Act and Local Government Act provides for adequate staffing of these institutions, calls upon the Royal Civil Service Commission to appoint them for the efficient discharges of their mandates.
 9. *Considering* that TVET sector plays an important role in both creations of employment and enhancing employability skills of the job seekers,

and despite invariable efforts being made by the Royal Government to strengthen this sector, there is still a scope for improvement. Therefore, it is recommended that the National Council conducts a comprehensive diagnostic study on the current TVET system.

Voting Details on the adoption of recommendations on the Employment Policies, Programs and Strategies

Date: 8/12/2015: 1:10pm; Total Votes: 22; “YES”: 19; “NO”:0; “Abstain”: 3

Following voted, ‘Yes’

1. Hon Tshering Dorji, Dy Chairperson
2. Hon Tashi Wangyel
3. Hon Tashi Wangmo
4. Hon Pema Dakpa
5. Hon Dhan Bdr Monger
6. Hon Sonam Wangchuk
7. Hon Sangay Khandu (Gasa)
8. Hon Tashi Phuntsho
9. Hon Tashi Dorji
10. Hon Sangay Khandu (Samtse)
11. Hon Jigme Wangchuk
12. Hon Nima
13. Hon Kamal Bdr Gurung
14. Hon Kaka Tshering
15. Hon Tharchen
16. Hon Tempa Dorji

17. Hon Pema Tenzin
18. Hon Sonam Wangchuk
19. Hon Nima Gyeltshen

Following abstained from Voting:

1. Hon Phuntsho Rabten
2. Hon Kelzang Chuki Dorji
3. Hon Karma Tshering

(Thursday, 8th December 2015 corresponding to the 27th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

G. Other Proceedings

1. Issues related to Central Schools

Hon'ble Members during their constituency visits have collected the concerns raised by the people and people of some of the demkhongs voiced their apprehensions about the establishment of central schools in their community. The issue merited further deliberation in the National Council, and accordingly, Hon'ble Member of Trongsa, after additional research, has submitted it for motion.

The Hon'ble member expressed appreciations to the Royal Government for enhancing the quality of school education through rationalization of smaller schools, delegation of administrative and management autonomy for selected schools and school reforms. However, problems do exist in working places and certain strategic measures need to be put in place to address them.

The inconveniences include inadequate consultation meetings the government conducted with Local Governments and relevant local communities which

resulted in unequal distribution of central schools. Moreover, giving too much importance on central school will undermine the quality of other schools. Therefore, considering these concerns, other schools must be established with adequate infrastructure for wholesome education.

On this, some of the Hon'ble Members supported the motion and recommended to Carryout exhaustive consultation with concerned stakeholders and introduce criterion for the establishment of central schools, ensure sustainability and freedom, promote others schools without discriminations, ensure proper utilization of existing school insfracture, categorize the central schools and the central schools to be established not only in rural community but also in urban areas as well.

The National Council, after extensive deliberations on central schools, decided as follows:

The National Council,

1. Noting that the Royal Government's initiative for school reform program is intended to enhance the quality of school education through i) rationalization of smaller schools and ii) delegation of administrative and management autonomy for selected schools in the country,
2. Also noting that local authorities and parents have lately recognized and accepted the benefits and importance of school rationalization mainly in reducing government expenses,
3. Concerned that the centralization of schools in the country with huge investment on basic items and commodities has not been well-received by concerned institutions and local stakeholders,

4. Further noting the concerns among the elected representatives, public and teachers about the sustainability of this school reform initiative where huge amount of budget is allocated even for purchasing basic necessities like uniforms, stationeries and beddings are provided for all boarding children in a central school,
5. Recognizing that investing in infrastructure and professional capacity development in the schools may have instead come a long way in achieving and delivering quality education for all children in a more sustainable manner,
6. Observing that the consultation by Ministry of Education with relevant central institutions and stakeholders at the local government level mainly in identification of central schools and its implementation approach have been inadequate;
7. Also observing a poor sense of preparedness and consensus over central school programs both at central and local level even today after one year of implementation,
8. Highlighting general public concerns over the sense of discrimination that a central school approach brought in their communities as indicated by i) free supply of uniforms, stationeries and meals only for those boarding students of selected schools, ii) non-admission in hostels of children from humble background who live in the immediate vicinity of schools, and iii) extension of support to children even if their parents are in a position to afford support to children,
9. Mindful of the fact that existing school infrastructure and facilities would be

underutilized if children from elsewhere enroll in central schools attracted by their facilities and conveniences,

10. Respecting the need for children in their formative ages to have education in their communities by being with their parents as well as respecting the important role of parents in their children's growth and development,
11. Noting the challenges of present central schools such as acute shortages of human resources to provide intended care and services, which was further aggravated by the cabinet's approval requiring minimum enrollment of 800 plus students in a central school without considering the availability of facilities and preparedness of the concerned schools,
12. Concerned that there will be huge backflow of central school fund as we resort to importing all required materials, commodities and services from India whereby there will be limited impact on the rural economy,
13. And keeping in mind our national goals of self sufficiency and independence,

Hereby calls upon the Royal Government to;

1. Carryout exhaustive consultation with concerned stakeholders in identifying future central schools by being mindful of some basic criteria like balanced regional development, population and economic background of parents and children,
2. Rationalize the investment of central school fund to achieve the objective of enhancing quality of education by considering the interest and need of all other non-central schools,

3. Categorize the central schools into two groups, e.g (PP-VI and VII –XII) for better management, care and development, and,
4. Develop an action plan to reduce underutilization of existing educational infrastructure and services in the communities in consultation with Local Government and Dzongkhag administrations.

Voting Details on the adoption of recommendations on the issues related to Centralization of Schools

Date: 8/12/2015: 4:11pm; Total Votes: 22; “YES”: 18; “NO”:0; “Abstain”: 4

Following voted, ‘Yes’

- 20.Hon Tshering Dorji, Dy Chairperson
- 21.Hon Tashi Wangyel
- 22.Hon Tashi Wangmo
- 23.Hon Pema Dakpa
- 24.Hon Dhan Bdr Monger
- 25.Hon Sonam Wangchuk
- 26.Hon Sangay Khandu (Gasa)
- 27.Hon Tashi Phuntsho
- 28.Hon Tashi Dorji
- 29.Hon Jigme Wangchuk
30. Hon Nima
- 31.Hon Kamal Bdr Gurung
- 32.Hon Kaka Tshering
- 33.Hon Tharchen
- 34.Hon Tempa Dorji
- 35.Hon Pema Tenzin

36. Hon Sonam Wangchuk

37. Hon Nima Gyeltshen

Following abstained from Voting:

1. Hon Sangay Khandu (Samtse)

2. Hon Phuntsho Rabten

3. Hon Kelzang Chuki Dorji

4. Hon Karma Tshering

(Friday, 13th December 2015 corresponding to the 2nd Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

H. Proceedings of Question Time

1. Hon'ble Minister for Home and Cultural Affairs

Chupon system

The Hon'ble Member of Samtse Dzongkhag pointed that the National Council on 17th November 2014 had requested the government to make a formal circular regarding the *Chupon* system. However, so far, there isn't any action from the government. In this regard, the Hon'ble Member asked how the government's going to consider the *Chupon* system.

On this, the Hon'ble Minister for Home and Cultural Affairs said that there isn't any provision in the Constitution and Local Government Act which talks about the *chupon system*. Moreover, as the *Tshogpas* have been shouldering the duties of the *Chupons*, the government has not acknowledged the system; however, at the villages, where the Tshogpa alone couldnot cover, the government has no restriction on chupon system. In addition, the Hon'ble Minister said that the government

will be putting in place a mechanism to address the issues arising from the *chupon* in the future.

Missing Persons

Hon'ble Member of Trongsa Dzongkhag asked the Royal Government about the current status of the missing persons in the country, the investigative and preventive measures being taken by the government to address the issue and the level of coordination being considered between RBP and relevant agencies concerning youth, women and children in creating social awareness about missing persons.

In response, Hon'ble Minister for Home and Cultural Affairs said that, in accordance with the data maintained by RBP, there are total of 81 persons missing as of 31/10/2015. Of that number, a total of 49 persons comprising 16 men and 49 women were found. However, 35 persons consisting of 16 men and 19 women are still missing.

Hon'ble Minister said that the reasons concerning missing persons comprise of lovers eloping, persons with mental health problems, accidents and person involved in corruptions. To ease this, Hon'ble Minister said that the government is in constant touch with other countries.

In addition to that, Hon'ble Member of Gasas Dzongkhag asked whether the issue of missing persons in the country has any relation to illegal business of human trafficking.

On this matter, Hon'ble Minister submitted that, as of now, there isn't any record of human trafficking being record in the offices of RBP and Bureau of Law and Order.

(Wednesday, 18th November 2015 corresponding to the 18th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

2. Hon'ble Minister for Agriculture and Forest

Leasehold of Sokshing and tsamdro

Hon'ble Member of Pema Gatschel said that in response to questions during the previous session of the National Council, the Hon'ble Minister for Agriculture and Forests had stated that the Royal Government will start implementing leasehold provisions for sokshing and tsamdro as enshrined in the Land Act 2007. So, therefore, Hon'ble Member asked when the deadline set to complete the implementation of the leasehold of sokshing and tsamdro, what challenges have been encountered during the pilot phase, what steps are being taken to address concerns of farmers erstwhile sokshing and tsamdro have been either lost to construction and those included in the Community Forests.

On this, Hon'ble Minister for Agriculture and Forest said that the pilot phase was started in 2013 in Punakha Dzongkhag and so far around 88 percent is completed. Likewise, it was reported that, there's a plan to start in 11 Dzongkhags by June 2016 and it's been planned to complete in 9 Dzongkhags having large areas of Tsamdرو within the FY 2016-2017.

Hon'ble Minister also highlighted some of the challenges encountered during the pilot programmes. The challenges include lack of coherence between the lagthram hold by agencies and individuals, prolonged process due to the death of the head of the family. However, the government has addressed the issues and appropriate actions on compensation have been

considered at sokshing where government infracture had to be built.

Compensation for food crops lost due to natural calamities

Hon'ble Member of Punakha Dzongkhag asked what remedial measures have the Royal Government instituted to support and provide compensation to farmers who have lost their paddies due to recent windstorm and hail and what long term strategies and resources have been instituted and mobilized in order to address such catastrophes in the future.

In response, Hon'ble Minister for Agriculture and Forest informed thanked His Majesty the King for granting Kidu to the affected families and informed that House that though the government has no immediate remedial, the government has instructed the Department of Disaster Management to frame strategies and policies to address such incidences.

(Friday, 27th November 2015 corresponding to the 17th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

3. Hon'ble Minister for Education

Hon'ble Member of Mongar Dzongkhag said that a very recent murder of a young Class VI girl by the Vice Principal of Yebilaptsa School, infact, was a shock. In this regard, Hon'ble asked what strategies and responses have the Education Ministry considered to preempt such tragedy in future and what initiatives have been taken to address psychological trauma and confidence of teachers of the schools.

On this, the Hon'ble Minister for Education said that no sooner did the Ministry hear the news of that incident then they have sent the relevant officials to the school for help. In addition, to prevent and strategise such

misfortunes in the future, a workshop was conducted in Bumthang for 65 counsellors. Further, Hon'ble Minister reported that the matter will be discussed during the annual education conference and the ministry hopes to come up with appropriate measures and programmes.

(Wednesday, 2nd November 2015 corresponding to the 22nd Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

4. Hon'ble Minister for Economic Affairs

Hon'ble Member of Tsirang Dzongkhag asked that what have lead to the deferment of three mega projects- Sunkosh Reservoir, Kuri-Gongri and Ammochu Reservoir totaling 5740 MW. Hon'ble Member also asked when are these deferred works to resume and what have been the opportunities forgone caused by the delay and deferring of the projects and particularly, what is the position of the government in terms of deferment of Sunkosh Hydropower Project and the status of Punatshanghu III.

On this, Hon'ble Minister for Economic Affairs submitted that Sunkosh, Kuri-Gongri and Amochhu projects have been deferred just due to due to current problem in mobilization of huge funds required for the development and the projects are not withdrawn from the plans.

Regarding the Punatshangchu III, Hon Minister reported that it's been deferred as it's against the principle of regional balance to have three mega in one region. However, the Sunkosh project, Hon'ble Minister said, was deferred because of financial support system.

(Wednesday, 2nd November 2015 corresponding to the 22nd Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

5. Hon'ble Minister for Works and Human Settlement

Excessive Signboards of Project Dantak on Thimphu-Phuntsholing Highway

Hon'ble Member of Chukha Dzongkhag said that Project Dantak has installed excessive signboards on Thimphu-Phuntsholing Highway and absence of Dzongkha text on them is matter of concern. Considering this matter, Hon'ble Member has asked the following questions:

1. Has Project Dantak sought the permission of the National Road Authority before installing these signboards?
2. Has the Ministry of Works and Human Settlement, particularly the Department of Roads, ensured that such excessive installations of signboards comply with Road Act?
3. Why is it that it is Project Dantak instead of the Department of Road which issue road clearances?

On this, Hon'ble Minister for Works and Human Settlement said that regarding the installation of signboards on the Highways, the Project Dantak doesn't seek permission from the Ministry. Hence, to solve the issue, the Ministry will conduct consultation with the project. Moreover, these concerns will be addressed in the rules and regulations that's under formulation. Hon'ble Minister informed the House that the Road

clearances are being issued only after consultation between the Department of Roads and Project Dantak.

Restriction on constructing houses with three or more storeys outside the municipal boundaries

Hon'ble Member of Paro Dzongkhag asked the following questions:

1. Does the Royal Government still intend to continue adhering to the policy of the previous government when primary basis of its enforcement, particularly, the rupee outflow?
2. Isn't there an immediate need to revisit the rural housing Construction rules and regulations and effect realistic changes?

In response, Hon'ble Minister for Works and Human Settlement said the government has uphold the policy of the previous government as it merits in preserving the designs of traditional Bhutanese houses and requires less imported materials as compared to modern housing designs. Moreover, according to the study conducted by the Ministry, generally, the policy wasn't unfavourable to the people. However, Hon'ble Minister reported that the rules pertaining to the construction of mega projects like hotels and institutions are under discussion.

Construction of Gorgan _Shingkar Road

Hon'ble Member of Lhuntse Dzongkhag asked the reasons which delayed the construction of Gorgan_Shingkar Road and how prepared is the Royal Government in terms of surveys, designs, financial and other resources to undertake the construction of this project.

On this, Hon'ble Minister for Works and Human Settlement said that the delay was due to additional

survey and research the contractor, Project Dantak has carry and the clearances that have to be sought. The construction works can be carried out only after the finalization of these formalities and the agreement was signed with the project to complete the construction by end of 2017.

(Tuesday, 8th December 2015 corresponding to the 27th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar)

I. Closing Ceremony

1. Closing Address of the Chairperson

In preparation for the 17th session of the National Council, Hon'ble Chairperson has directed the Hon'ble members to works on the following distributed works as per the decision of the plenary.

a. Good Governance Committee

1. Review Anti Corruption report
2. Review implementation of Public procurement report as per the decision of the 15th session
3. Move motion for Bhutan Red Cross Society Bill 2016

b. Economic Affair Committee

1. Review Budget and Reappropriation Bill 2016-2017
2. Review the need for a Bill concerning ownership of assets and accounts abroad by Bhutanese

c. Natural Recource and Environment Committee

1. Review of Agriculture Policy

- d.** Other committees must work on the assignments as decided during the plenary session.

Hon'ble Chairperson has instructed the Hon'ble Members travel to their respective constituency to disseminate the resolutions of the House and collect the views and suggestions of the people for fruitful deliberations in the 17th session. However, hon'ble Chairperson reminded the Hon Members to prepare their committee work plans prior to the travel.

He also cordially welcomed the three Eminent Members appointed by His Majesty the King and advised them to render their unwavering service to the Tsa-wa-sum. Likewise, he also extended his appreciation and congratulations to the Director of National Council Secretariat upon being conferred the post of Dzongdag, Pema Gatsel, by His Majesty the King.

He also thanked all Hon'ble Members and the committees for their tireless contributions, the Secretary General, Director and staff of the National Council Secretariat, media, the staff of the Department of National Properties, the Royal Bhutan Police and all other parties involved for their support.

Hon'ble Chairperson said that as the 16th session of National Council coincided with the celebrations of 60th birth anniversary of His Majesty the Fourth King, the National Council during its opening session, in commemoration of the celebration, organised a blood donation campaign and distributed some of the important Acts enacted during the reign of His Majesty the Great Fourth for further distribution to the people. There, he has asked all Hon'ble Members to distribute the Acts at the local governments in their respective constituencies.

Moreover, Hon'ble Chairperson highlighted some of the important commandments of His Majesty the King granted during the *dakyen* ceremony of three Eminent Members in the *Selthri Khangzang*. Hon'ble Chairperson said that His Majesty has commanded that the problems of the big countries shouldn't happen in our small, landlocked country and one should be able to address through strategic measures whatever the problem may arise.

Lastly, the 16th Session of the National Council concluded on 27th Day of the 10th Month of Wood Female Sheep Year of the Bhutanese Calendar with prayers for their long lives and *zhabten* to His Majesty the King, Her Majesty the Gyalsuen and His Majesty the Fourth Druk Gyalpo.



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

(Sonam Kinga)

Chairperson

National Council of Bhutan