

**2<sup>ND</sup> PARLIAMENT OF BHUTAN**

**5<sup>TH</sup> SESSION**



**Resolution No. 5**

**PROCEEDINGS AND RESOLUTIONS OF  
THE NATIONAL ASSEMBLY OF BHUTAN**

**( MAY 8 – JUNE 17, 2015 )**

**Speaker: Jigme Zangpo**

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## **PROCEEDINGS AND RESOLUTIONS OF THE 5<sup>TH</sup> SESSION OF THE SECOND PARLIAMENT**

### **1. OPENING CEREMONY**

The Opening Ceremony of the 5<sup>th</sup> Session of the Second Parliament commenced on the auspicious 19<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to May 8, 2015. His Majesty the Druk Gyalpo was received with elaborate *Chipdrel and Serdrang* ceremony to the Parliament Hall, followed by the traditional *Zhugdrel Phuntsum Tshogpai* ceremony.

### **2. OPENING ADDRESS BY THE SPEAKER**

In his opening address, the Speaker expressed his gratitude and welcomed His Majesty the Druk Gyalpo to the opening ceremony of the 5<sup>th</sup> session of the Second Parliament. He also extended welcome to Her Majesty the Gyaltsuen, Members of the Royal Family, representatives of the International Community, representatives of the Central Monastic Body, senior government officials and all other guests who had come to witness the occasion.

It was announced that beside holding deliberations on various agenda and passing Bills in the joint sitting, the National Assembly will deliberate on both new and amendment Bills. The National Assembly will also deliberate on international conventions and other reports



and further it was informed that the Finance Committee would be established in the 5<sup>th</sup> session.

The Speaker said that an earthquake with a magnitude of 7.8 on Richter scale hit Nepal on 25<sup>th</sup> April 2015 causing great damage to lives and properties. He offered his condolences on behalf of the Parliament of Bhutan to the victims of the earthquake. It was also reported that a 78 member Bhutanese relief team was dispatched on the command of His Majesty the Druk Gyalpo to Nepal. A relief fund of one million US dollar was also granted by His Majesty and the cheque was personally handed over by Prime Minister Tshering Tobgay to Prime Minister Sushil Koirala of Nepal on 27<sup>th</sup> April 2015.

It was informed that considering both the present and future benefit of the country, some personnel of the three armed forces were assigned to serve in the UN Peace Keeping Missions upon the command of His Majesty the Druk Gyalpo. Therefore, on behalf of the Parliament, the Speaker expressed gratitude to His Majesty for such noble and historic initiatives towards international cooperation.

The Speaker also expressed gratitude to His Holiness the Je Khenpo, other spiritual leaders and Their Majesties the Queen Mothers for initiating various programmes in order to pay tribute and commemorate the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo.

The Prime Minister Tshering Tobgay had announced that in commemoration of the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo, stupas and other religious structures requiring renovation and those vandalized would be restored. The Speaker reminded that works to this effect should be jointly undertaken by the government and people this year.

On behalf of the parliament, the Speaker thanked Prime Minister Tshering Tobgay for his successful visits to America and Gujarat in India. The Prime Minister was also thanked for his first official visit to Sri Lanka and strengthening the relations between the two countries by meeting with senior officials of Sri Lanka.

The Speaker expressed his appreciation to the former Secretary General of the National Assembly, Mr. Kinzang Wangdi for almost three years of his service in the National Assembly and congratulated him on his appointment as the Cabinet Secretary.

In conclusion, the Speaker expressed hopes that the Fifth Session would be successful with the blessings of Triple Gem, noble guidance of His Majesty the Druk Gyalpo, collective merits of the Bhutanese people and the support of the Members of Parliament.

*(19<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to May 8, 2015 (Address of the Speaker is enclosed in the annexure)*

**3. Royal Kasho granting assent for the presentation of the Public Debt Management Report to the Joint Sitting of Parliament**

The Royal assent has been hereby granted for the programme to deliberate on the report on public debt management and the Rules of Procedure of the Public Accounts Committee in the Joint Sitting of Parliament on 15<sup>th</sup> and 18<sup>th</sup> of May 2015.

Granted on the 23<sup>rd</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year.

**Druk Gyalpo**

As per the directives of the Speaker, the Officiating Secretary General read out the Royal Kasho to the Joint Sitting of Parliament. Following this, the report was presented by the Chairperson of the Public Accounts Committee as stated below:

**3.1 Report on the Public Debt Management**

It was reported that the Public Accounts Committee had considered the public debt management to be very important and accordingly reviewed the report. The Royal Audit Authority, Ministry of Finance, Royal Monetary Authority and the Gross National Happiness Commission made presentations on the status of public debt, budgetary and fiscal situation to the Members of Parliament on 7<sup>th</sup> May 2015.

### **Ninth Five Year Plan (Financial Years of 2003-2004 to 2007-2008)**

The public debt in the financial year 2003-04 of the 9<sup>th</sup> five year plan stood at Nu. 24,210.34 million which was 79.61% of GDP. It was reported that the public debt decreased at the end of the 9<sup>th</sup> five year plan at Nu. 36,438.28 million which was 69.94% of GDP.

Similarly, hydropower debt in the financial year 2003-04 was Nu.16,154.12 million which increased to Nu. 20,475.09 in the financial year 2007-08 taking the overall public debt at 64.38%.

The total non-hydropower debt was Nu. 8,056.16 million in the financial year 2003-04 and Nu. 15,963.19 million in the financial year 2007-08.

### **Tenth Five Year Plan (Financial Years 2008-2009 to 2012-2013)**

It was reported that the public debt in the financial year 2008-09 of the 10<sup>th</sup> five year plan was Nu.56, 785.71 million which was 97.96% and towards the end of the 10<sup>th</sup> five year plan it stood at Nu. 97.785.71 million which was 92.14%.

The hydropower debt in the financial year 2008-09 was Nu.35, 970.55 million which increased to Nu.54, 527.54 million towards the end of the 10<sup>th</sup> five year plan

representing an average of 62.47% to the total public debt. It was reported that the total public debt stood at Nu. 97,094.12 million towards the end of the 10<sup>th</sup> five year plan.

In the financial year 2008-09 of the 10<sup>th</sup> five year plan, the non-hydropower debt stood at Nu. 20,815.16 million and in the financial year 2012-13 it was Nu. 42,566.58 million.

#### **Eleventh Five Year Plan (Financial Years 2013-14 to 2017-18)**

As per the public debt projection in the 11<sup>th</sup> five year plan, the total public debt in the financial year 2013-14 was Nu.110,749.708 million. It was reported that towards the end of the 10<sup>th</sup> five year plan, the public debt is likely to increase to Nu. 258,796.410 million which was 120% of the Nominal GDP.

The Nominal GDP during the end of March 2015 stood at Nu.124,534.74 million out of which Nu. 118,546.62 million was public debt which was 95.20% of the Nominal GDP.

The external debt stood at 91.60% of the Nominal GDP which was a total of Nu. 114,071.32 million while the domestic debt stood at Nu.4,475.30 million. Further, it was reported that the hydropower debt stood at Nu.81, 580.30 million which was 65.5 % of the Nominal GDP and the debt related to Rupee stood at Nu.78,148.22 million which was 62.80% of the Nominal GDP.

The money from hydropower loan was at present being utilized directly by the projects' management and henceforth the money must be deposited in the government's consolidated fund.

Deliberating on the report, some Members submitted that most of the debt was related to hydropower projects. Clear submissions were made by some Members on the reasons for availing loans. It was expressed that hydropower is one of the main wealth of the nation and thus loans were sought to establish hydropower plants and other businesses to achieve social benefits which would also accrue benefits in future. It was also submitted that the loans were availed after assessing the possibility of repayments by exporting electricity.

To this, the Minister for Finance informed that the debt of Nu.16 billion in the end of the 9<sup>th</sup> plan increased to 50 billion in the last quarter of the 10<sup>th</sup> plan which was 93% of the GDP. By then the non- hydro power debts had become an issue of concern. However, after liquidating short term borrowing and T-Bills availed in the 10<sup>th</sup> plan, the non-hydropower debt was reduced to Nu.32 billion from Nu. 50 billion.

It was submitted that while availing loans for both hydropower and non-hydropower, it was imperative to keep in mind the capacity for repayment. Most of the Members expressed their concerns on non-hydropower debts and

submitted that it was imperative to formulate clear policy and system on debt management.

Some of the Members opined that since there were a lot of laws in the country, it was essential to review whether the existing laws could cover debt management instead of introducing a separate law. It was also submitted on the need to disseminate information on how loans were being managed and would be managed as per the policies of the country.

The 33 recommendations by the Royal Audit Authority along with the implementation report by the Ministry of Finance were recognized by the Public Accounts Committee. Similarly, it was deliberated in the House and the following 33 recommendations were accordingly endorsed:

1. A clear Policy Framework on Public Debt should be developed
2. Public Debt Management Act, Rules & Regulations and guidelines should be framed
3. Convergence of existing laws on public borrowings should be ensured
4. Comprehensive reporting on debt to the public should be made.
5. Huge gap between public spending and internal revenue should be reviewed

6. Budget forecast and determination of borrowing needs to be made more accurate
7. Absorption capacity of the government to be studied
8. Domestic capital market to be developed
9. Level of public debt should be reviewed
10. Maximum debt threshold should be set
11. Liquidity monitoring of public debt should be instituted
12. Exchange rate fluctuation risk against convertible currency debt needs to be minimized
13. Government should take steps to minimize adverse impact of debt service burden concentration in particular months
14. Government short-term borrowings should be included in public debt stocks
15. Rollover risk of Indian Rupee debt should be addressed
16. Cost of monetary policy should be minimized
17. High dependence on grants, concessional loans and short-term borrowings to be minimized
18. Management of CC reserve should be improved
19. Management of INR reserve should be improved
20. Value of essential imports should be updated and corresponding foreign currency reserve requirement clearly identified
21. Abnormal delay in release and transfer of fund to be avoided
22. Huge variation in cost absorbed and recovered on on-lending operation should be minimized



23. Hydropower export market to be extended
24. Appropriate strategy and back up plans should be instituted against hydrological and other associated risks
25. Use of loan proceeds should be rationalized
26. Complete disclosure of contingent liabilities and government guarantees should be made
27. Debt management functions and responsibilities to be streamlined
28. Hydropower information sharing and reporting mechanism to be established
29. Existing arrangement of handling of external grants by the GNHC to be reviewed
30. Specific job description in Debt Management Division to be prescribed
31. There should be proper segregation of duties in the DMD
32. Institutional capacity of DMD to be reviewed
33. Coordination between the Ministry of Finance and the RMAB should be strengthened

Besides endorsing the recommendations of the Royal Audit Authority, six additional recommendations by the Public Accounts Committee were endorsed by the House. In addition, the recommendations in section B and F were rectified and endorsed by the House with the show of hands as follow:

- A- PAC urges the MoF and relevant agencies to implement the recommendations made by the RAA on a priority

basis and submit an action taken report (ATR) to the PAC.

- B- The Cabinet shall formulate and implement a debt management policy in order to manage public debt. On enacting a new law, it was resolved that the existing Public Finance Act of 2007 shall be reviewed. In case, the issues were not covered by the Public Finance Act, amending the Act could be considered.
- C- Section 4 of Article 14 of the Constitution of Bhutan states that “The Government in the public interest may raise loans, make grants or guarantee loans in accordance with the law”. Further, as per chapter one of the Public Finance Act of 2007, the responsibility to seek loans was the responsibility of the Ministry of Finance. It was resolved that it was imperative to implement these provisions accordingly.

It was reported that loans were availed by agencies and departments as per their conveniences. However, as the repayment had to be made at fixed periods, problems were faced while making repayments. Considering this, it was resolved that henceforth if the need was felt for the agencies to avail loans, it shall be done as per the laws of the country.

As the loans sought for the planned budgets were reflected in the accounts, the loans sought for hydropower projects

which was a part of the public debt should also be reflected in the consolidated fund of the government. If it was not possible, a report on the hydropower related debts should be presented. Further, the House directed that since non-hydropower debt was rising, it was imperative to explore new areas to generate revenue since the Constitution mandates to emphasize on internal revenue to meet expenditures.

- D- As Bhutan graduates into a Middle Income Country, appropriate strategy to facilitate a smooth transition is necessary
- E- Intensify efforts to increase national savings to finance growth and reduce the dependence on grants and loan.
- F- Up-gradation of the Debt Management Division to a Department with the requisite technical expertise in order to consolidate all the debt related functions which were presently fragmented. Regarding this recommendation, it was resolved that the Ministry of Finance and the Royal Civil Service Commission shall hold consultation on the possibility of upgrading the division to a department. This was in view of section 8 of Article 26 of the Constitution which states that the Royal Civil Service Commission is the central personnel agency of the government.

In conclusion, the joint sitting acknowledged the efforts put in by the Public Accounts Committee which comprehensively reviewed the report on the public debt management by the Royal Audit Authority. The Public Accounts Committee and the Royal Audit Authority were commended for presenting recommendations and directions which were endorsed by the joint sitting. It was stated that these recommendations and directions would help in efficient management of public properties hereafter.

Concluding the deliberation, it was directed that while formulating budget reports in the coming years, it was imperative to be mindful that undue burden of debt is not placed on the future generations. This was in keeping with the provisions of the Constitution of Bhutan.

*30<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to 18<sup>th</sup> May 2015.*

*Note: Report of the Public Accounts Committee is included in the booklet of committee reports.*

**4. Question Hour - Group A: Prime Minister, Minister for Home & Cultural Affairs and Minister for Information & Communications**

The Speaker informed that for the day's question hour, three minutes would be provided to the Member asking question and seven minutes would be provided to the responding Minister. It was also informed that if time permits, supplementary questions would be entertained.

Further, before the start of the question hour, the Speaker reminded that the question hour must be completed on time.

1. The Member from Nganglam constituency questioned the Prime Minister to clarify on the cancellation and deferment of construction of highways which are of importance to the people.
2. The Member from Boomdeling –Jamkhar constituency questioned the Minister for Information & Communications on allowing the import of new vehicles for taxis. He also questioned if the stoppage of import of other new vehicles for taxis was aimed at allowing only the import of electric vehicles.
3. The Member from North Thimphu constituency questioned the Minister for Home & Cultural Affairs on the plans to set up meat processing plants in the country. He said that such moves would be against the tradition and culture of the country.
4. The Member from Panbang constituency questioned the Hon Prime Minister that ‘Meet the People’ programme of the government has become a programme for meeting with the supporters of People’s Democratic Party. He mentioned that the programme benefited only the party supporters and not the general public. He questioned on what basis the programme was being conducted and how many people have been benefited so far.

The Member from Darametse-Ngatshang constituency submitted that if more public transport vehicles were introduced, it would benefit the people from humble backgrounds and help reduce the number of private vehicles in the country. He also submitted that this would address the shortage of Indian currency and asked why the government was not emphasizing on introducing electric vehicles for public transportation as per the policy of promotion of electric vehicles. The Member from Nubi-Tangsibji constituency questioned on works pertaining to merging of 57 Gewogs without consulting the people. He sought clarification on this matter.

However, due to inadequate time, the Question Hour was concluded after the House resolved with the show of hands that the above two questions will not be deliberated.

*1<sup>st</sup> Day of the 4<sup>th</sup> Month of Wood Female Sheep Year corresponding to 19<sup>th</sup> May 2015*

*Note: The deliberations and answers on the above questions can be referred in the verbatim of the Question Hour which has been printed separately.*

## **5. Motion**

### **5.1 Motion to establish Finance Committee**

The Chairperson of the House Committee informed that as per Section 240 of the National Assembly (Amendment) Act 2014, the Budget and Appropriation Bill and the Supplementary Appropriation Bill shall be referred to a

relevant Committee by the Speaker after presentation to the House by Finance Minister. He therefore reported that in a general meeting of the Members of the National Assembly, it was decided to establish the Finance Committee and the following Members were identified to constitute the committee:

**A-Members of the Ruling Party**

1. Dawa Gyaltsen, Member from Bongo Chapcha Constituency
2. Karma Tenzin, Member from Wamrong Constituency
3. Pelzang Wangchuk, Jomotshangkha - Marstshala Constituency
4. Dophu Dukpa, Kabbji-Talo Constituency
5. Sonam Dondup Dorjee, Khamdang –Ramjar Constituency
6. Tek Bhadhur Subba, Dophuchen-Tading Constituency

**B-Members of the Opposition Party**

7. Kinga Tshering, NorthThimphu Constituency
8. Karma Rangdol, Gangzur-Minjey Constituency
9. Rinzin Jamtsho, Kengkhar-Weringla Constituency

It was informed that guidelines and terms of reference for the committee have been formulated and deliberations were proposed for its endorsement in the winter session when the Rules of Procedure of the National Assembly 2014 is amended. Following the submissions, the House resolved to institute the Finance Committee with 37 Members voting in favour while one Member abstained from voting. There was a total of 38 Members present during voting.

Some of the Members submitted that if the terms of reference of the committee were not formulated clearly, there was possibility of problems to arise while working. Therefore, it was opined that it would benefit if the terms of reference was deliberated in the current session instead of the winter session. It was submitted by some Members that the deliberations should be focused on establishment of the Finance committee and not on the type of committee. The Finance committee has to be understood as a permanent committee and not a special committee because except for special and ad-hoc committees, all other committees' term correspond to the tenure of a Parliament. Thus, the Finance committee should stand as a permanent committee.

Following the calling of attention on the identification of the committee as a permanent or a special committee, it was resolved with a show of hands that the Finance committee shall be a permanent committee.

The Minister for Finance submitted that the institution of Finance Committee happened for the first time and thus it was historic. Therefore, it was imperative to prepare the terms of reference of the committee after meticulous review. He also submitted that it would be very expedient if the committee starts working as per the financial year 2015-16.



Consequently, it was resolved that the Finance committee should prepare the terms of reference of the committee with extensive research and review and which will be deliberated in the winter session.

*(1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 19<sup>th</sup> May 2015. )*

## **5.2 Motion by the Government to commemorate the 60<sup>th</sup> Birth Anniversaries of His Majesty the Fourth Druk Gyalpo and His Holiness the Je Khenpo**

On behalf of the government, the Member from Nyisho-Sepchu constituency and on behalf of the Opposition Party, the Member from Lamgong-Wangchag constituency made submissions on the commemoration of the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuck and His Holiness the 70<sup>th</sup> Je Khenpo Trulku Jigme Chhoeda.

It was submitted that His Majesty the Fourth Druk Gyalpo, the essence of the country's sovereignty and a reason for people of Bhutan's happiness has been a farsighted King who took the reign of the nation at the age of 16. Ever since his enthronement and during 34 years of his reign, His Majesty focused on the benefit of the people and country. His Majesty had brought unthinkable developments in the country with less priority to his own personal life. In order to pay tribute to His Majesty, some important traits of His Majesty were proclaimed in the august National Assembly hall.

Besides, tribute was offered for strengthening the foundation of the nation's security and for upholding the Buddha Dharma through preservation of religious institutions. It was pledged that unwavering loyalty and service to the Tsa-Wa-Sum shall continue without fail in order to fulfill the aspirations of His Majesty the Fourth Druk Gyalpo. In addition, the motion of thanks was moved with prayers for His Majesty's good health and long life and for His Majesty's perpetual grace over the people of Bhutan.

Similarly, it was submitted that the 70<sup>th</sup> Je Khenpo of Bhutan, Trulku Jigme Chhoeda was ordained into the monk body after spiritual realization at the age of 16. Ever since, His Holiness undertook various religious initiatives for the constant flourishing and spread of Bhuddha Dharma. After ascending on the throne of the Je Khenpo, His Holiness travelled the length and breadth of the country and granted religious empowerments. It was because of this fact that the country has been enjoying prosperity. Thus, it was expressed that it was important to pay tribute to His Holiness the Je Khenpo and offer prayers for his good health and long life.

Following the motion moved by the two Members of the National Assembly, the House expressed its gratitude to His Majesty the Fourth Druk Gyalpo. Furthermore, the House acknowledged that it was significant to pay tribute

to His Majesty the Fourth Druk Gyalpo and His Holiness the Je Khenpo, the beloved leaders of the people of Bhutan in commemoration of their 60<sup>th</sup> Birth Anniversary.

*(1<sup>st</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 19<sup>th</sup> May 2015)*

## **6. Motions from the Local Governments**

### **6.1 Construction of Chamkharchu Hydro Power project in the first phase**

The people of Zhemgang Dzogkhag submitted on the construction of the Chamkharchu Hydrop Power project to commence in the year 2015 as the assessment carried out for the project has been completed.

Deliberating on the agenda, the Member from Bardo Trong constituency and the Member from Panbang constituency made additional submissions by mentioning that Zhemgang Dzongkhag has not developed as other Dzongkhags. It was also submitted that under the pretext of constructing the Chamkharchu hydro power project, even small possible development activities in the areas of health and education were not started. Thus, the Dzongkhag has been left without any socio-economic development activities. It was submitted that the Chmakharchu hydro power project be given top priority and commence the work accordingly as it was learnt that preparation works for starting the project was completing.

The Member from Khamdang Ramjar constituency and the Member from Gangzur-Minje constituency submitted that although the Kholongchu hydropower project was all set to be started, nothing was happening currently. They sought clarifications on why the project works were being delayed.

The Minister for Economic Affairs informed that the cost of 770 megawatt Chamkharchu hydro power project was estimated at Nu.44.7 billion and further informed about the benefits that the project would bring to the people. He also presented a detail report on the nature and status of the project and informed that the project was delayed because there were many activities which required important discussions to be held with the Government of India. The project was being given additional emphasis by the Ministry of Economic Affairs and since most of the project activities were nearing finalization, it would be started in the first phase.

Similarly, the Khonlongchu hydro power project was the first of the four joint venture hydropower projects. It was reported that the Royal Government of Bhutan is going to register the project with the aim to make it an exemplary project. The project was delayed because the tender documents and agreement for the project had to be extensively deliberated with the government of Indian for the benefit of the Bhutanese people. However, the Minister expressed hopes that the project would commence

immediately and get registered once the final discussions are held soon.

The House directed the Ministry of Economic Affairs to emphasize on the Chamkharchu hydro power project as far as possible by making use of the excellent relationship with the government of India. The House therefore acknowledged that the Chamkharchu hydropower project to be prioritized and started in the first phase.

## **6.2 Timber for Lhakhang renovation and timber entitlement in rural areas**

The people of Trongsa Dzongkhag submitted that if timber permit for the renovation of Lhakhangs in the villages could be issued regardless of the presence of motor roads. If this was not possible, a system should be instituted to obtain good quality timber from the Natural Resources Development Corporation Limited (NRDCL).

Deliberating on the agenda, the Members from Nubi-Tangsibji, Chumey-Ura, Drametse-Ngatshang, Panbang, Nyisho-Sephu and Dokar-Shaba constituencies submitted that good quality timbers could not be availed on time from the NRDCL. It was submitted that the system and rules for availing timber from the NRDCL should be changed or solution should be identified to enable direct obtainment of timbers from the NRDCL. This would help in thwarting the loss of culturally rich Lhakhangs which were more important than the natural environment.

The Minister for Agriculture & Forest informed that timber for renovation of Lhakhangs and Dzongs and also for the construction of new Lhakhangs was provided through the Ministry of Home & Cultural Affairs as per the National Environment Act of 2006. It was reported that two lakhs CFT of timbers were provided in one year for the renovation of private, public and government Lhakhangs. The Minister reported that wherever there were no branch offices of NRDCL, the people could always obtain timber from the community forests in consultation with the Department of Forest & Park Services. Further, permits were also approved for obtaining timbers from the villages as well.

As per section 3 of Article 5 of the constitution, all Bhutanese people must conserve the natural environment and moreover the accountability to this effect falls on the Ministry of Agriculture & Forest. Therefore, the system introduced for rural community forests was aimed at addressing the shortage of timber in future. Furthermore, 299 acres of land in 20 Dzongkhags have been identified and plan was in place for the plantation of cypress tree saplings which was also aimed at addressing the issue of timber shortage. It was thus submitted that since the existing system and policy of obtaining timbers were good, changes were not deemed necessary.

In support of this submission, the Minister for Home & Cultural Affairs and the Leader of Opposition submitted

that although the total forest coverage of the country was 80%, number of trees from which timber could be extracted was declining. Problems were also faced in getting useable timbers for the construction of the Wangduephodrang Dzong. It was submitted that people in rural areas which were now part of urban expansion did not receive urban amenities. However, they continue to receive timbers as *kidu* and thus problems were not foreseen if this system was continued to be followed.

To this, the House observed that it was imperative to conserve the natural environment of the country as per the provisions of the Constitution and implement the rules of the Forest Act of 2006. The people faced problems on getting timber mainly because the provisions of the laws were not disseminated. The House directed that hereafter information on rules and laws related to forest must be once again disseminated and the system of issuing timbers should be enhanced as appropriate. Further, it was directed to address the issue of providing timbers for renovation of private, public and government Lhakhangs if any.

*(2<sup>nd</sup> Day of the Wood Female Sheep Year corresponding to 20<sup>th</sup> May 2015)*

### **6.3 Timber entitlement for constructing winter and summer residences by each household**

The people of Wangduephodrang submitted that building two houses, one for winter and one for summer has been

the tradition. However, timber entitlement was only for one house as per the timber entitlement rules for rural house construction. Therefore, the government was requested to look into the matter as it caused problems for the people.

Deliberating on the agenda, the Members from Nyisho-Sephu and Kabji-Talo constituencies submitted that timber entitlement was only for one house although the tradition requires having two houses, one for winter and one for summer. Therefore, the government was requested on the possibility to grant timber to address the issue or amend the system and rules of the Natural Resources Development Corporation Limited (NRDCL). It was submitted that the tradition of constructing two houses also prevailed in Punakha Dzongkhag and thus requested government's consideration on the matter.

On this, the Minister for Home & Cultural Affairs submitted that if such system was put in place, it would create inequality in the society causing problems. He expressed that people of Lunana under Gasa Dzongkhag migrated to Punakha in winter for six months and thus they may also demand timber for constructing houses for winter. The Minister submitted that it was imperative to comprehensively review the issue.

The National Assembly directed that the Ministry for Home & Cultural Affairs should resort to appropriate actions after



assessing the requirement of timber for the construction of houses for winter and summer as per the tradition.

*2<sup>nd</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 20<sup>th</sup> May 2015.*

#### **6.4 Increment of wages for carpenters and masons**

The people of Wangduephodrang Dzongkhag submitted that Nu.500-600 was being paid for carpentry and masonry as daily wage in the rural areas. Similarly, it was submitted that if the daily wage of Nu.500-600 could also be paid to carpenters and masons for Gewog Development Works which would address the difficulty of finding masons and carpenters.

Deliberating on the agenda, the Members submitted that increment of wages for carpenters and masons was a national issue and therefore a uniform system can not be adopted in all 20 Dzongkhags. Even if the government could afford to pay higher wages, it was imperative to consider whether the general people would be able to afford it as wages were also different in rural areas. Some Members expressed that submission were also made in the past to increase the wages for masons and the review conducted on the issue concluded that such move was not in the best interest of the society. Therefore, it was reminded to contemplate the issue seriously. Submission was made that it would be preeminent if the wage was

based on the National Minimum Wage rate of Nu.125 as adopted in the year 2010.

Regarding the wages to be paid for the reconstruction of Wangduephodrang Dzong, it was set forth that special wages could be granted to this effect as the authority lies with the Cabinet. Furthermore, it was reminded that increment of wages must be routed through the Ministry of Finance as a Money Bill and table in the House as per section 1 of article 14 of the Constitution.

Some Members submitted that bringing in expatriate workers incurred the outflow of Rs.7, 000 million per year as difficulties were faced in finding Bhutanese workers. Thus, it was imperative for the Ministry of Labour & Human Resources to provide opportunities to Bhutanese youth with dexterity skills.

The Minister for Labour & Human Resources and the Minister for Finance informed that when the pay scale of the civil servants were revised in the year 2014, the wages of the workers were not revised and that too for the last three years. Further, considering the inflation of 30% high in 2015, the government is reviewing the increment of wages for the workers. It was informed that hopefully the wages for the workers would be revised accordingly.

As submitted by the Minister for Labour & Human Resources and the Minister for Finance, the House resolved that revision of wages for carpetners and masons should be based on the Labour Act of 2007 and accordingly a report should be presented to the House.

*3<sup>rd</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 21<sup>st</sup> May 2015.*

#### **6.5. National Dress**

The people of Thimphu Dzongkhag submitted that despite the Bhutanese etiquette being one of the identities of the country, western attire has increasingly fascinated the youth. In order to prevent this trend, all officials working in government and offices and those in private delivering public services should be appropriately dressed in national attire. Further, it was submitted that English was being used as the medium of communication in meetings. Therefore, the people of Thimphu Dzongkhag appeal for support towards the promotion of the national language Dzongkha.

Deliberating on the issue, some of the Members including the Member from South Thimphu constituency informed that in the past, some employees in government offices used to wear foreign attire. Therefore, out of great concern, the government instituted a system mandating to emphasize on the national dress of Gho and Kira. This had greatly enhanced the use of national dress compared to past.

However, with modernization more Bhutanese youth go abroad for further studies where they adopt foreign attires

which pose threat to the preservation of national dress. It was submitted that deliberation on the issue was held many times during the erstwhile National Assembly and resolution to this effect was also passed. Similarly, it was important for the Members of the National Assembly of the present Parliament to give extra attention to this issue. It was submitted that the Members of Parliament and government officials should set example by upholding the national dress with shared concern and without having to elicit legal intervention.

The people in rural areas continues to uphold the national dress but government officials touring rural areas were found to be dressed in foreign attires. It was submitted that this would not only undermine the national identity of the country but also set bad example. Therefore, it was reported that the Zhemgang Dzongkhag Tshogdu had passed resolution prohibiting government officials to dress in foreign attire while visiting rural areas on official tour. Further, it was reminded that employees in various government and private offices were not dressed in national dress but in uniforms of their respective organizations. It was submitted that the government should seriously examine this issue.

Preservation of culture was one of the pillars of Gross National Happiness. Therefore it was submitted that it was important for the Bhutanese people to emphasize on

preservation of country's cultural identity by wearing *Gho* and *Kira*.

On this issue, the Minister for Home & Cultural Affairs informed that His Majesty the Druk Gyalpo had granted several Kashos and guidance for the preservation of Bhutanese culture and the national language which constitute Bhutan's unique identity. The Minister informed that there was a separate section for *Driglam* instituted under the Ministry of Home & Cultural Affairs which suffices the promotion of national etiquettes. The division undertakes research works and publishes books on *Driglam* which were being distributed in schools and institutes of the country with dissemination of information and trainings being conducted. It was expressed that *Driglam* was mainly to do with respecting the national identity through clear conscience and appropriate etiquette. It was submitted and the National Assembly accordingly acknowledged that *Driglam* was not something which can be implemented with laws and resolutions.

#### **6.6. National language Dzongkha**

Deliberating on the promotion of national language Dzongkha, the Members submitted that Dzongkha Development Commission was established by the Royal Government on the 30<sup>th</sup> Day of the 6<sup>th</sup> Month of the Fire Horse Year corresponding to 24<sup>th</sup> May 1986. It was

submitted that the commission has not only been undertaking various initiatives in the country to promote Dzongkha but it was also putting in extra emphasis for the purpose. Since the reigns of His Majesty the Third and Fourth Druk Gyalpos, several Royal Kashos were granted for Dzongkha to be made as the medium of instruction in schools and formulation of all government plans and policies in Dzongkha. In addition, it was submitted that upon several resolutions passed by the National Assembly, Dzongkha was being used as the medium of communication in official meetings.

However, it has been sometimes that English was widely being used as the medium of communication in official meetings causing concerns to the people of Bhutan. Therefore, it was set forth that if the House holds extensive deliberation on the issue, it would reinforce the promotion of the national language. While submission was being made on opportunities to address the unemployment issue for the people with Dzongkha based qualification, the Member from Nyisho -Sephung constituency read out the Royal Kasho towards the promotion of Dzongkha. The Kasho which was read out to the House following the permission from the Speaker was granted by His Majesty the Fourth Druk Gyalpo on the 10<sup>th</sup> Day of the 9<sup>th</sup> Month of the Female Water Rooster Year.

**Royal Kasho of His Majesty the Fourth Druk Gyalpo granted to all Ministers and departmental heads for the promotion of National Language Dzongkha**

Dzongkha is not only the official national language but also unique from the languages of other countries and is one of the main identities of Bhutan. Thus, considering the importance of the national language, the government had formulated a separate policy for its promotion.

However, it has been observed that the government officials not only took disinterest in the national language but also used English in meetings and public gatherings within Bhutan despite the presence of many Bhutanese and few foreigners. And since no translations were being made for the Bhutanese people, it is reasonable that our people were speaking unfavorably for the government officials.

Thus, henceforth if all civil servants do not respect and take pride in using the national language, people and the government would have communication gap in future. This would affect the relation, coordination and even trust between the people and the government as communication on policies and views cannot be made to each other.

Therefore, all heads and deputy heads of government departments and agencies henceforth have the responsibility to efficiently disseminate information about their plans and policies to the people in Dzongkha. If this was not complied with, it would be deplorable. In any

meeting and public gathering comprising of both nationals and foreigners, all speeches, statements and others should be first emphasized in Dzongkha. Thereafter, one may translate it for foreigners or make others to do the same or papers providing translations may be distributed for the foreigners. All individuals should be mindful of the provisions of the above decree and comply genuinely.

Issue on the 10<sup>th</sup> Day of the 9<sup>th</sup> Month of the Water Female Bird Year from Tashichhodzong.

**Druk Gyalpo**

Following this, some Member opined that children would take interest in learning Dzongkha if foreign cartoons were to be translated in to Dzongkha. In some schools, besides singing the National Anthem, they also had their respective school anthems which were sung in English which were reasons for concerns and doubts. It was submitted that the Ministry of Education should assess such new trends. Further, it was submitted that people were concerned with government's interaction in the 'Meet the Press' programme which was conducted in English.

On this, some Members submitted that the Royal Government had formulated policies and guidelines for promotion of the national language Dzongkha. Therefore, it was opined that Dzongkha has been improved far better compared to past. It was submitted that English being an



international language was also important to be promoted vis-à-vis Dzongkha.

In addition, if people take pride and interest in emphasizing on Dzongkha, it could be further enhanced than in the past. It was submitted that promotion of Dzongkha would be benefitted if novels and other literary works were published in Dzongkha as done in English. One after another, the Members submitted to entrust the responsibility of reviewing how Dzongkha and the national dress were being used in government ministries, departments and agencies to the Social & Culture Committee. It was submitted that a report to this effect could be presented in the next session.

On these two issues, the House first endorsed that the Driglam Division under the Ministry of Home & Cultural Affairs should continue its review work on issues related to Driglam and disseminate information to the people which would accrue enormous benefit. This should be done as per the Royal Kasho issued by the Druk Gyalpo to the Ministry of Home & Cultural Affairs. The House also endorsed that it was important for the Ministry of Home & Cultural Affairs to come up with solutions which would enable the youth to take interest in wearing the national dress of Gho and Kira. It was further endorsed that the Ministry of Home & Cultural Affairs should monitor whether or not Dzongkha was being used in officials meetings. In addition, it was endorsed that the Ministry should assess the practice of wearing uniforms by employees and security

personnel in ministries, department and agencies. It was submitted that the issue was of concern as it would undermine the sovereign status and national identity of the country in future.

#### **6.7. Pledges of People's Democratic Party**

The people of Thimphu Dzongkhag submitted that government's pledges of providing service utility van, bolero and power tillers to every Chiwog should be fulfilled immediately. It was also submitted that the government should fulfill its pledge of blacktopping the Gewog Center roads.

Deliberating on the motion, some Members led by the Member from North Thimphu constituency submitted that pledges to provide service utility van, bolero and power tillers to every Chiwog was incorporated in the government plan. It was submitted that along with providing these machineries, funds for fuel should also be kept aside in the budget and further it was questioned on when the government would provide the power tillers.

Furthermore, some Members submitted that despite the government being in power for over two years, people were concerned for not getting services as pledged. It was imperative to fulfill the pledges in a democracy and although inaugurations were done to black top Gewog Center roads, no actual works were implemented. On this,

other Members submitted that the people were thankful for the useful services which the government was gradually providing. This was an indication of the pledges being fulfilled and it was important for the people to be cognizant of it.

Progress was being made regarding the blacktopping of Gewog Center roads with government putting emphasis on it. It was submitted that in order to expedite the execution of blacktopping works in the next three years, works will be continued with priority and concerns thereof would be taken care.

It was submitted that the budget was allocated by the government for service utility van, bolero vehicle and power tillers which were important for the people. Power tillers had been provided to Gewogs as a trial although it was important to accordingly formulate a system to distribute these machineries. Further, it was submitted that the information centers were allocated Nu.5 Lakhs which would greatly benefit the people.

The House endorsed that as per the pledges of the government, it was imperative for the Ministry of Agriculture & Forests to distribute service utility van, bolero vehicles and power tillers to Chiwogs as soon as possible.

#### **6.8. Schools must be provided with enough Dzongkhag language teachers**

The people of Chukha Dzongkhag submitted that to promote the national language Dzongkha and to provide quality Dzongkha lessons to students, schools must be provided with enough Dzongkha language teachers.

Deliberating on the petition, the Members led by the Member from Bongo-Chapcha constituency submitted that shortage of Dzongkha teachers were not the problem faced by only some Dzongkhags but it is a national issue. Therefore, it would be helpful if the Ministry of Education assess the matter. The deliberation had ensued on the shortage of Dzongkha language teachers in a bid to promote Dzongkha and thus it was imperative for the House to be considerate and direct the Ministry of Education on the task.

Toward this, it was submitted that the quality of education is being affected given the shortage of Dzongkha teachers and the government should support the concerns expressed by the people. It was opined that it was important for the youth to be made capable enough not only to speak but also to read and write Dzongkha. It was submitted that it would be beneficial if the Social & Cultural Committee assess the issue of shortage of Dzongkha teachers in schools and submit a report thereof in the next session of Parliament.

Further, some Members submitted that the issue was not shortage of Dzongkha teachers in schools but with teachers' deployment. It was seen feasible for the issue to be addressed in consultation with the Ministry of Education. Some other Members submitted that Dzongkha lessons were also taught by English teachers which was greatly affecting the quality of Dzongkha. Moreover, subjects like history were also being taught in English and it was important to improvise Dzongkha lessons.

In order to address the shortage of Dzongkha teachers, it was important to strongly implement the policy of Ministry of Education which requires one teacher for every 32-36 students. It was also important to revise the teacher student ratio and render support to interested monks graduating from Buddhist institutions to become teachers.

In addition, it was submitted that speaking Dzongkha had improved in eastern and southern regions of the country but assessment needed to be carried out on the presence of experienced and skilled teachers in schools. Assessment also needs to be conducted on the plans of the Ministry of Education and schools to improve Dzongkha lessons. Furthermore, it was set forth on the importance to render support for the use of Dzongkha in songs, movies and public gatherings.

The government submitted that generally there were only handful of trained teachers who teaches good Dzongkha in schools which was a problem and a challenge. This issue needs to be reviewed. It was set forth that henceforth, graduates from Taktse Institute of Language & Cultural Studies should be given appropriate trainings and provide opportunities in teaching profession.

Some Members submitted that responsibility on this matter should be entrusted to relevant department while some other Members set forth that the responsibility should be given to the Social & Cultural Committee. Deciding on the above two submissions through the show of hands, the House resolved that the Social & Cultural Committee should conduct a detail review of the issue in coordination with the Dzongkha Development Commission. The committee should submit an appropriate report thereof during the winter session.

*(4<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to the 22<sup>nd</sup> May 2015)*

**7. Question Hour: Group B- Questions relevant to the Ministry of Agriculture and Forestry, Ministry of Foreign Affairs and Ministry of Education**

The Speaker started presiding over the Question Hour session by reminding the House that Minister for Home and Cultural Affairs would represent in absence of the Minister for Education to answer the questions and further reminded

that only two Members would be allowed to ask supplementary questions in the interest of time.

1. The Member from Nanong- Shumar Constituency asked the Minister for Education regarding the policies and basic necessities for the boarder students in the Central schools.
2. The Member from Radhi- Sakteng Constituency asked the Minister for Agriculture and Forestry on status of government's pledges to provide Power Tillers in every Chiwog.
3. The Member from Bumdeling- Jamkhar Constituency asked the Minister for Education regarding the government's pledges on establishing three new colleges in the east under balanced regional development.
4. The Member from Nganglam Constituency asked the Minister for Agriculture and Forestry on the status of government's issuance of guidelines and regulations regarding implementation of *Tsamdro* and *Sogshing* as per the Land Act 2007.
5. The Member from Panbang Constituency asked the Minister for Education regarding the measures taken to provide employment to Contract and Community teachers who were being replaced by the B.Ed graduates.

***(4<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to the 22<sup>nd</sup> May 2015)***

*Note: The deliberations and answers on the above questions can be referred in the verbatim of the Question Hour which has been printed separately.*

**8. Question Hour: Group C- Questions relevant to the Ministry of Economic Affairs, Ministry of Finance and the Ministry of Labour & Human Resources**

The Speaker informed that there were a total of six questions for the day and three minutes would be allotted to the Member asking question and seven minutes for the answer. He informed that this was being done to provide equal opportunities as past experience showed inadequacy of time. Before the question hour began, the Speaker reminded that a Member asking supplementary question should mention the Minister to which the question was being asked.

- i. The Member from Bartsham-Shongphu constituency questioned the Minister for Finance on Foreign Direct Investment.
- ii. The Member from Kengkhar-Weringla constituency asked the Minister for Economic Affairs on the status of Sunkosh, Kurigongri and Amochu hydro power projects.
- iii. The Member from Nanong-Shumar constituency questioned the Minister for Labour & Human Resources on the safety of the Bhutanese youth sent overseas for employment. She also asked on the policy to make the overseas employment scheme beneficial and meaningful.
- iv. The Member from Drametse-Ngatshang constituency questioned the Minister for Finance whether or not the government would raise the exemption limit of personal income tax from Nu.100,000.



- v. The Member from Panbang constituency questioned the Minister for Economic Affairs that the plans of the Business Opportunity & Information Center were causing inconveniences to the people. The total number of applications received so far and the loans disbursed were also questioned.
- vi. The Member from Gangzur -Minjey constituency representing the Member from Radhi-Sakteng constituency questioned whether or not the government was going to restart the lottery agency.

*Note: The deliberations and answers on the above questions can be referred in the verbatim of the Question Hour which has been printed separately.*

## **9. Annual Budget Report of the Financial Year 2015-16**

In accordance to article 14(8) of the Constitution of Bhutan and section 47 of the Public Finance Act of 2012, the Minister for Finance presented the Annual Budget Report for the financial year 2015-16.

The government had increased the capital budget allocation with 24 percent in the total budget for the 11<sup>th</sup> plan to improve the quality of education through establishment of central schools and also widen the Thimphu Trashigang national highway and increase livestock products. The annual budget for the financial year 2015-16 was formulated as per the government's policy to make efficient use of the expenditure and emphasize on the management of resources.

Resolutions had been passed by the Parliament last year on fiscal measures and thus there was no proposal on taxation in the present budget. However, it was submitted that the reports on the historic importance of hydropower projects would be presented in detail.

The budget report for the financial year 2015-16 had been formulated based on the consultations with the Royal Monetary Authority (RMA) for credit requirement to finance the resource gap as per RMA Act of 2010 and its existing policies and system. Hopes were expressed that after the budget report has been referred to the Finance Committee, it would improve the budget allocations with expertise and ideas considering country's revenue status. The budget report was summarized in 10 chapters and was presented as follow:

#### **Fiscal Performance and Operation in the Financial Year 2013-14**

It was reported that 16% of the draft 11th FYP plan outlay was approved for capital allocation in the financially year 2013-14. With an estimated resources of Nu. 29,982.834 million, the fiscal deficit and resource gap was projected at Nu. 4,233.002 million and Nu. 4,324.516 million accounting for 3.71% and 3.80% of GDP respectively.

By the close of the financial year, actual resources of Nu. 37,819.123 million was realized and the actual expenditure was only Nu. 34,609.903 million. This has resulted in a

surplus of Nu. 3,253.978 million. However, after adjusting for the negative balance in the Consolidated Fund, the actual closing balance as of 30<sup>th</sup> June 2014 was negative Nu. 2,562.836 million.

*(Please refer Table 1.1 for budget summary and comparison for financially year 2013-14)*

### **Revised Budget for the Financial Year 2014-15**

It was reported that the approved budget for the financial year 2014-15 was Nu. 35,406.325 million with the fiscal deficit of 2.7 % and resource gap of 3.7% of GDP. However, with the incorporation of the external assistance of Nu. 3,457.943 million and Nu. 346.751 million for adjustment of previous year's advances, the revised budget is Nu. 39,211.019 million. The total resources increased from Nu.31,959.263 million to Nu. 36,400.136 million which has resulted in the improvement of fiscal deficit to 2.3% and resource gap to 3.4% of GDP.

### **Budget Estimates for Financial Year 2015-16**

The financial year 2015-16 being the midyear of the 11<sup>th</sup> FYP, 24% of capital outlay for the 11<sup>th</sup> FYP has been kept in place. The estimates for the total resources for the financial year 2015-16 was Nu.41,017.888 million of which 64% comprises of domestic revenue and 36% consists of external grants. The domestic revenue is estimated at Nu.26,145.124 million which is an increase of 5% from the previous financial year. The revenue estimates from tax

amounts to Nu.19,197.949 million and non-tax revenue amounts to Nu.6,947.175 million.

Budget allocation of Nu. 58,735.031 million had been kept for health, education and various sectors including legislature, judiciary and constitutional offices. It was reported that detail budget allocation to each sector could be found in the report and along with this the Budget Allocation Bill for the financial year 2015-16 was presented.

### **Macroeconomic Performance and Outlook**

In the financial year 2013-14, the estimated GDP growth was 4.7 % while the country's economy was estimated to grow at 6.8% in the financial year 2014-15. In the financial year 2015-16, the economy was projected to grow at 6.2% mainly on account of the commissioning of Dagachhu Hydropower Project. In the beginning of the financial year 2014-15, the growth rate was at 8.1% which declined to 6.3% in March 2015. It was reported that the youth unemployment rate was 9.6% in 2013, an increase from 7.3% in 2012. The government has established a Special Task Force which was currently working to address the youth unemployment issue.

Regarding projection forecast of public expenditure, the current expenditure was projected to increase at an average of 6.9% in the next two years. The capital expenditure was

projected to 13.9% and 9.6% of GDP in financial year 2016-17 and financial year 2017-18 respectively. In addition, the resources were projected to grow at an average of 6.5%.

The domestic revenue was projected to grow at an annual average of 7% in the 11<sup>th</sup> FYP and domestic revenue as a percentage ton nominal GDP was projected to be 18.8% for financial year 2015-16. The domestic revenue was expected to reach Nu. 29,434.208 million by the financial year 2017-18.

The external grants constitute about 36% of the total domestic resources in the 11<sup>th</sup> FYP which would hopefully cover 76% of the capital expenditure. It was hoped that fiscal deficit would be contained at an average of 3% of GDP in the 11<sup>th</sup> FYP. The fiscal deficit was estimated to improve at 0.7% of GDP in the financial year 2016-17 and trend was expected to continue in financial year 2017-18 with a fiscal surplus of 2.7% of GDP.

It was reported that for financing socio-economic development activities other than hydropower, the government has committed to maintain non-hydro debt below 35% of GDP. External debt was projected to reach Nu. 174,672.908 million in the financial year 2016-17 of which 78.9% of the total debt was hydropower debt which was not of high risk. In the financial year 2017-18, the total debt was estimated at Nu. 193.072.600 million.

In the financial year 2013-14, current account deficit slightly widened to 25.3% of GDP from 25% in previous year as the export growth was not able to keep pace with imports. As on June 2014, gross international reserves stood at US \$1,012.183 million, sufficient to cover essential imports for 24.6 months. In the financial year 2014-15, the current account deficit was estimated at 26.3% of GDP and it was hoped that the current expenditure could be reduced. In addition, the gross international reserve was estimated to be US \$ 1,434.8 million in the financial year 2015-16.

#### **Royal Monetary Authority**

The total operating expenses of the RMA increased by 10.6% from Nu.250.98 million in the financial year 2012-13 to Nu. 277.51 million in financial year 2013-14. The surplus for the year was Nu.877.03 million. However, the total asset of the RMA for the year ending 30th June 2014 was Nu. 61.80 billion, up from Nu. 60.69 billion as on 30<sup>th</sup> June 2013.

#### **State Owned Enterprises**

There are presently 28 companies with government share holdings with total equity investments of Nu. 48,017.800 million of which Nu. 44,333.514 million pertains to government's equity holdings in Druk Holding and Investments. The liabilities and debt exposure of State

Owned Enterprises have gone up with total long-term borrowings reaching Nu. 29,912.498 million in 2014 compared to Nu. 25,759.205 million in 2013. It was reported that details of debt pertaining to hydropower and assets and net worth of State Owned Enterprises were mentioned in the budget report.

### **Druk Holding and Investments**

The government's equity holdings in DHI amounts to Nu. 44,333.514 million which constituted 92% of the total equity investments in SOEs. DHI recorded total assets of Nu. 51,071.099 million with net worth of Nu. 48,400.429 million at the end of 2014. DHI also achieved total accumulated reserves of Nu. 4,066.913 million. In 2014, total dividend from DHI increased by 15% and it increased by Nu. 233 million from Nu. 1,580 million in 2013 to Nu. 1,813 million.

### **National Pension Provident Fund**

Recently, the National Pension Provident Fund (NPPF) has invested huge amount in Druk Air amounting to Nu.246.87 million, in Tashi Air amounting to Nu.125 million and Nu. 500 million was invested in Royal Insurance Corporation of Bhutan Limited. In 2014, the NPPF's revenue grew to Nu. 1,279.84 million and an operating surplus with an increase of 19%. The NPPF's surplus was Nu.1,072.1 million compared to Nu.903.77 million in 2013. The fund achieved more than 7% return on member's fund. Total assets of the

Fund increased by 16% from Nu. 15,064.016 million to Nu.17,498.791 million in 2014 with total fund size reaching Nu. 15,348.36 million. From the total loan portfolio of the Fund, Nu. 4799.88 million was loan to the members.

### **Trust Funds**

The fund balance of Cultural Heritage Trust Fund as of March 2015 stood at Nu.55.753 million compared to Nu.52.710 million in the previous year which was an increase of 5.8%. It was reported that as per the Royal Charter on the Trust Fund, no expenditure will be made out of the Trust Fund till the initial fund reaches USD 1.00 million. Further, it was submitted that the detail reports on the Bhutan Trust Fund for Environment Conservation, Universal Service Fund for ICT, Bhutan Health Trust Fund and Bhutan Education Endowment Fund was reflected in the Budget report.

### **Hydropower Development in Bhutan**

The report on the hydropower development in Bhutan as presented for the first time. According to the 2013-2022 Power System Master Plan, Bhutan has a total hydropower potential of about 30,000MW. Of the total potential, techno-economically feasible potential was about 23,765 MW which can be harnessed from 64 rivers and 6 storage projects, considering projects above 10MW capacity.



The 360KW Jungshina Mini Hydel in Thimphu was the first hydropower plant to be built in 1967 to supply electricity to the capital city. The total hydropower capacity developed till date was 1,606MW which is about 6.75% of the total techno-economically feasible potential. It was reported that couple of hydropower projects were started from the support of the governments of India and Austria.

The hydropower projects were not only aimed for planned energy supply, Industrial services, revenue from export of electricity but also for repayment of loans by generating Indian currency. Loans pertaining to Chukha Hydro Power Plant were liquidated in 2007 and the loans for Kurichu and Tala Hydropower plants would be gradually liquidated in the year 2015-16 and 2018-19 respectively.

In order to implement the 10,000MW initiative, the governments of Bhutan and India as per the agreement of 28<sup>th</sup> July, 2006 and its protocol of 16<sup>th</sup> March, 2009 through the Empowered Joint Group had identified six projects to be developed through the Inter-Governmental arrangement and another four projects under the Joint Venture Modality. The ongoing 1,200MW Punatsangchhu-I hydropower project is scheduled to be commissioned in July 2019. Similarly, the 720MW Mangdechhu and 1,020 MW Punatsangchhu-II hydropower projects were scheduled to be commissioned by May and June 2018 respectively.

Other hydropower projects like the Kholongchhu, Nikachhu, Chamkharchhu, Wangchhu, Bunakhachhu, Sunkosh, Amochhu and Kurigongri were at different stages of planning. It was reported that Department of Hydropower & Power System under Ministry of Economic Affairs was carrying out reconnaissance studies, pre-feasibility studies and detailed project reports. Further, it was informed that the details of the above hydropower projects were reflected in the budget report.

### **Conclusion**

The budget for the financial year 2015-16 has been prepared in close consultation with the budgetary agencies and lot of care and diligence have been put to formulate the budget. And for the first time, the budget has been prepared based on the Annual Performance Agreements targets of the agencies agreed with the Hon'ble Prime Minister. Concluding the presentation of budget report, prayers were offered that with the blessings of the guardian deities of Bhutan and under the wise leadership of His Majesty the Druk Gyalpo and His Majesty the Fourth Druk Gyalpo, the budget passed would bring greater peace and happiness in the country.

The House expressed that the Finance Minister could present the budget report in detail mainly because of the Local Government Leaders, Constitutional Offices, Ministries, Departments and Agencies which formulated

their respective budgets and submitted to the central government. Toward this, the House expressed its appreciation and further expressed appreciation to the officers of the Ministry of Finance for preparing the budget report.

The Members had decided that before deliberating on the budget, it had to be reviewed by the Finance Committee. Therefore, the budget report was referred to the Finance Committee and the House directed the committee to present appropriate recommendation as per the Constitution, the National Assembly Act and the Terms of Reference of the Committee. The presentation of the budget report concluded after the House was reminded that the recommendations of the committee would also be deliberated along with the budget on the 8<sup>th</sup> and 9<sup>th</sup> of June 2015.

#### **9.1 Review Report by the Finance Committee on the Budget Report for the Financial Year 2015-16**

The deliberation on the budget report for the financial year 2015-16 continued on 8<sup>th</sup> and 9<sup>th</sup> of June 2015 with the presentation of report by the Chairperson of the Finance Committee. The Chairperson reported that Nu. 23,871.321 million was kept aside for the current budget while Nu. 26,842.386 million was kept aside for the capital budget which together amounts to the total budget of Nu. 50,713.707 million for the financial year 2015-16. It was

reported that no changes were made to the budget allocation for various agencies. The Chairperson presented the summarized budget report and the following observations and recommendations for transparent formulation of budget:

**First: Observations**

1. Increase in the growth of expenditure is more than the increase in the growth of revenue
2. The highest budget of Nu.29.65 million allocated under Tourism Services was primarily for Market promotion
3. The underutilization of the capital budget averaged 26 percent of the total capital outlay from FY 2003-04 to 2013-14. Such underutilization would mean either the planned activities were not undertaken or deferred indicating incompetency
4. There was no explanation and clarity in the table for General Reserves which amounts to Nu.2,585.00 million. While the same line items and the same figures against each item has been indicated in all subsequent years, there was no status of their utilization till date
5. Foreign Direct Investment amount not included in the report
6. The supplementary budget for Nu.4.4 billion to be approved only after utilization of the fund at the end of the fiscal year.

## **Second: Recommendations**

1. The budget allocation of the resources should be strictly in line with resource envelope
2. The annual resource gap is within the limit of international benchmark for the FY 2014-15. However, the resource gap must be reviewed as it is cumulative in nature that could add to debt stock
3. In order to achieve fiscal policies the non hydro debt will be maintained below 35 percent of GDP. The Committee would like to recommend this ceiling in the Public Debt policy
4. The Government to review the formula of budget allocation for balanced development
5. The Government to review the policy on how to contain the growing deficit where the growth of expenditure is more than growth of revenue
6. On the Tourism budget, the committee feels imperative that Ministry of Finance in consultation with Tourism Council of Bhutan should review the allocation of large fund for market promotion (travel fair) and whether such amount can be used for website and other advertisement materials
7. The underutilization of the budget should be avoided through more diligent planning and holding concerned agencies accountable through the APA

8. General Reserves - more information to be provided on the activities including the actual budget utilization of the past year
9. FDI inflow both in the government and private sector over the past year should be included in the budget report
10. The Government to be more diligent in budget planning and minimizing supplementary appropriations. It is also recommended if the supplementary appropriation bill can be submitted in the winter session
11. To provide the budget utilization for the hydropower projects in the budget report including revenue projection of the projects

Following the presentation of report by the committee, the Minister for Finance submitted that for so many financial years, the annual budget was formulated in consultation with Local Government, Dzongkhags and Ministries. This had never led to any problems during the implementation of development activities. However, for the future benefit and as per the basis of democratic governance, the House had established a Finance Committee. It was reminded that hereafter it was imperative for the Finance Committee to work towards the fulfillment of objectives of the country and the people without political inclination.

The Leader of Opposition submitted that henceforth the Finance Committee should provide observations and

recommendations on the country's development plans, economic status and implications on the culture. The deliberations could be held efficiently if reports could be presented on these issues.

Regarding debt, it was submitted that the debt scenario in the country has been an issue of concern and challenge. However, loans were continuously being sought at the interest rate of 12% for the benefit of the people. If the repayments could not be made for excessive debts, possibilities were there that it would affect the happiness and peace of the country in future. It was submitted that the budget report did not contain anything on the policy of self reliance.

An additional profit of Nu. 150 million was generated from Thai tourists in commemoration of Bhutan Thailand diplomatic anniversary. However, it was submitted that exemptions granted to the Thai tourists had greatly affected the tourism industry. The expenditure pertaining to Business Opportunity & Information Center should be met from internal revenue and not from the current expenditure as per Section 6 of Article 14 of the Constitution. Therefore, clarifications were sought whether or not it was in line with the laws. In addition, detailed justifications were sought on the import of six vehicles by the government.

It was submitted that although concerns were expressed on country's debt, the government continues to avail loans amounting to Nu. 2,482 million in the financial year 2013-14, Nu. 1,558 million in the financial year 2014-15 and Nu. 3,420 million for the financial year 2015-16. Submission was also made that no budget allocations were reflected in the budget report as per government's pledges.

The benefits accrued following the autonomy of the Jigme Dorji Wangchuck National Referral Hospital in Thimphu and possibilities to grant autonomy to Mongar and Gelephug Regional Referral hospitals should be considered. Similarly, Phuentsholing hospital needs to be upgraded to a regional hospital given its population in the financial year 2015-16. Furthermore, it was submitted on the need for a category 'A' hospital at Doksum in Trashiyangtse and budget for the construction of category 'A' hospital in Haa was not reflected in the budget for the financial year 2015-16.

It was set forth that additional budget needs to be allocated for renovation and blacktopping of farm roads and widening of road leading to Baylangdra in Wangduephodrang. Submission was also made for additional budget to shift Gelephug Dungkhag Center and distribution of drinking water in rural areas.

Budget was not allocated towards the establishment of seven hydropower plants between the year 2009 and 2020



and three higher institutions in the east. Budget was also not allocated for attracting 20,000 tourists and economic plans in eastern Bhutan.

It was submitted that to reduce the import of smaller vehicles and fuel, the number of city buses should be increased and the budget allocated to the Phuentsholing Thromde should be increased as well.

Led by the Prime Minister, the Ministers responded to the questions, doubts and opinions expressed. They submitted that budget fell short in the financial year 2014-15 since the external grants could not be gathered causing minor inconveniences. There was no problem with the inadequacy of budget as the budget ceiling for the financial year 2013-14 was maintained on time. The budget for the first financial year of the 11<sup>th</sup> plan saw a decline of 5.3% compared to the previous year as the elections were conducted in July 2013. Although the government had only eight months to prepare the budget report, the budget for the first financial year of the 11<sup>th</sup> plan increased two folds compared to that of the first financial year of the 10<sup>th</sup> plan.

Submission was made that the hydropower debt should not be an issue of concern as it will be liquidated after the completion of the hydropower projects and bring enormous benefit to the revenue of the country. However, the non-hydropower debt amounted to Nu 15.9 billion in the

financial year 2008-09 as per the accounts of the Ministry of Finance. The debt within five years increased to Nu. 40.1 billion towards the end of financial year 2012-13 which was an issue of concern.

Out of concern, the present government had paid off Nu. 4.3 billion of the non-hydropower debt in the financial year 2013-14 bringing the total non-hydropower debt to Nu.36.7 billion. In the financial year 2014-15, the non-hydropower debt was brought down to Nu.32.3 billion. When the present government started its function in the year 2013, the consolidated fund was short of Nu. 5.8 billion but within one year, Nu.3.2 billion was generated from internal revenue which was injected into the consolidated fund. However, after adjusting negative balance in the Consolidated Fund, the actual closing balance was about Nu. 2.5 billion.

The Opposition Party clarified that the previous government availed loans for constructing farm roads, establishing telecommunication services and distributing electricity. The consolidated fund saw short of fund as it was used for important activities for the benefit of the people given the untimely receipt of external grants.

It was submitted that the budget for the 11<sup>th</sup> plan was formulated based on the objectives of self reliance which emanated from the coronation address of His Majesty the Fourth Druk Gyalpo in 1974. Accordingly, the plan was

formulated firstly with the objective to meet the budget allocation from internal revenue, secondly to conserve the pristine environment and thirdly to instigate balanced development without leaving the poor behind.

The relaxation of minimum daily package rate for Thai tourists was mainly for those tourists who could not afford and moreover it was for the economy of Bhutan which was tourism based. Such programme was introduced because during off-season in summer, the tourist guides, hoteliers, vehicle owners and the revenue of the government were affected.

Submission was made that it was imperative to quote specific section of the law with justification if the Business Opportunity & Information Center was illegal. It was informed that the issue was also extensively deliberated and decided upon in the Cabinet.

The vehicles in question were imported as per the recommendation of the Second Pay Commission to address the issue of official transportation of the Ministers in carrying out works for the planned activities. The expenditure on the purchase of vehicles were reflected in the accounts whereby Nu. 135 million in the financial year 2012-13, Nu.66 million in the financial year 2013-14, Nu. 245 million in the financial year 2014-15 and Nu.336 million in the financial year 2015-16 were spent.

The grant of administrative and financial autonomy to Jigme Dorji Wangchuck National Referral Hospital has

greatly benefited in delivering social services. In addition, plans were also in place to expand regional referral hospitals of Mongar and Gelephu. It was reported that maps for the construction of hospital at Haa were prepared and the location for the hospital has been identified by His Majesty the Druk Gyalpo. It was hoped that the works for constructing the hospital at Haa would commence soon in consultation with the Ministry of Finance.

A sum of Nu. 90 million was kept aside for renovation of 2,455 km of Gewog roads and Nu. 180 million was spent on black topping 103 km of roads in eight Gewogs during the financial year 2014-15. An amount of Nu. 1,201 million was kept aside in the financial year 2015-16 for black topping a total of 298 km of 48 roads. Similarly, in the financial year 2015-16, an amount of Nu. 380 million was kept aside for construction of 285 km of 13 Gewog roads.

Sending people for employment overseas was being implemented as per the policies of the year 2013 of the Ministry of Labour & Human Resources. It was informed that budget could not be allocated for shifting the Gelephu Dungkha Center as budget had to be kept for construction of new Sarpang Dzong and Shechamthang Thromde project in Sarpang.

The objective of generating 10,000 MW of electricity by the year 2020 had to be realized as mutual consensus had been reached between the Prime Ministers of Bhutan and India. Therefore, there were no doubts and ambiguities concerning

the projects and moreover the relations between the two countries have been further strengthened.

### **Reccomendations of the Committee**

Most of the Members endorsed the 11 recommendations of the committee after the House decided through a show of hands. However, the Minister for Finance made submissions against sections 9, 10 and 11 of the recommendations. The Minister submitted that as per the provisions of the Public Finance Act of 2007 and the subsequent amendment Act of 2012, report should incorporate only government budget and budget of the government owned companies. He expressed his doubts on the benefit of presentation of report to the House related to private finances. Toward this, one of the Members expressed in favour of the committee's recommendation. It was submitted that if economic status of the country and unemployment rate were to be incorporated in the budget report, it would benefit in understanding the economic progress and status of Foreign Direct Investment.

On recommendation No. 10 pertaining to the Supplementary Budget Appropriation Bill to be tabled in the winter session, It was submitted that all external grants would not arrive after six months from today's endorsement. Thus, the Supplementary Budget Appropriation Bill may have to be tabled twice and

therefore the system to this effect should be retained as before. On this, one of the Members expressed support in favour of the Supplementary Budget Appropriation Bill being tabled in the winter session. It was submitted that as per section 59 of the Public Finance Act, it would not be a problem.

On recommendation No. 11, It was submitted that funds pertaining to hydropower sometimes came in lumpsum and in other times it arrives late leading to problems in formulating budget. Therefore, it was imperative to contemplate the issue. One of the Members submitted that recommendation No. 3 states on the need to maintain the non-hydropower debt below 35% and responsibility to formulate policies and laws to this end was entrusted to the government. Question was raised if problems would ensue by endorsing recommendation No. 11 under such circumstances.

Besides, one of the Members submitted that there were various budget for the Local Governments and Dzongkhags. As per the policy of decentralization of power, some of the Local Governments received planned budget in addition to Gewog Development Grant while others were left behind without receiving it. It was recommended that while the report on budget outcomes were submitted to the government, the Ministry of Finance, Department of Budget or the Gross National Happiness

Commission should comprehensively assess the outcomes of the budget allocated from various sources.

The House through the show of hands endorsed the recommendation of the committee. The committee was directed to review the system related to the recommendation and present a report during the winter session. Although eight recommendations of the committee was endorsed by the House, the House through the show of hands directed the committee to review the remaining three recommendations and present a report during the winter session.

## **9.2. Supplementary Budget Appropriation Bill for the Financial Year 2014-15**

Deliberating on the Bill, one of the Members set forth that the supplementary budget surpassed the actual amount of approved budget for the previous financial year. It was opined that henceforth, a clear system to table the supplementary budget bill should be formulated.

To this, the Prime Minister clarified on the increase in the amount of the supplementary budget in the Supplementary Budget Appropriation Bill. It was informed that the government had to cater to additional responsibility of new programme 'Government to Citizen' (G2C). He informed that budget for G2C was utilized from the Ministry of Information and Communications' budget while the Annual Performance Project was transferred this year from the

Gross National Happiness Commission to the Prime Minister's Office.

Following this, the Member in Charge of the Bill, the Finance Minister moved the motion to endorse the revised budget of Nu.44,160.531 million in the Supplementary Budget Appropriation Bill for the financial year 2015-16. The total budget of Nu. 50,713.707 million including current budget amounting to Nu.23,871.321 million and capital budget amounting to Nu.26,842.386 million in the Budget Appropriation Bill for the financial year 2015-16 was also proposed to be endorsed.

The Supplementary Budget Appropriation Bill with a revised budget of Nu. **44,160.531 million** was passed with all 43 Members present voting in favour of the Bill.

### **9.3 Budget Appropriation Bill for the Financial Year 2015-16**

Voting on the amount of Nu. 50,713.707 million of the Budget Appropriation Bill for the Financial Year 2015-16, 42 of the 43 Members present voted in favour of the Bill being passed. Although one Member abstained from voting the Bill was endorsed as the majority of Members voted for the Bill to be passed.

Expressing his dissenting opinion on the Bill, the Member from Bartsham Shongphu constituency submitted that endorsement of the Supplementary Budget Appropriation Bill will add on to the new budget. He expressed that he



could not support the Bill as he was doubtful that the external debt would increase by 133% corresponding to Nu. 3.420 billion and the internal debt would increase by Nu. 10.912 billion.

The House expressed its appreciation to the leaders of the Local Governments for formulating budget for their respective development activities and submitting it to the Central Government. The House also expressed its appreciation to the Ministry of Finance and the Gross National Happiness Commission for reviewing the budgets submitted and presenting it to the House. With this, the deliberation on the Budget report for the financial year 2015-16 concluded.

*(21<sup>st</sup> and 22<sup>nd</sup> Days of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 8<sup>th</sup> and 9<sup>th</sup> June 2015)*

**X. Human Right Committee's implementation report**

The chairperson of the Human Rights Committee has reported to the 5<sup>th</sup> session of the National Assembly on the implementation status of the resolutions of the 4<sup>th</sup> session of the National Assembly on human rights issues. As per resolution No.10, the committee has made submissions on 11 recommendations of the 4<sup>th</sup> session of the National Assembly. The House had directed the Committee to follow up on the implementation of the resolution and to report the findings in the fifth session. It was reported that the report has been prepared after conducting reviews and consultation with concerned ministries, departments, agencies and holding meetings with financial institutions.

The report on the implementation of resolutions and outcomes are as follow:

**1. The practice of publicizing loan defaulters revoked**

After circulation of letter on restraining the publicizing of loan defaulter in media by the Ministry of Finance through Royal Monetary Authority, the financial institutions have discontinued the practice of publicizing loan defaulters. The Bhutan Broadcasting Service has also not publicized a single loan defaulter on national TV.

**2. The final decision to publicize loan defaulters should be left with the Court**

Although monitoring of loans through internal management systems was improved, the Financial Institutions continue to confront loan defaulters and the number of loan defaulters had increased from 10% to 30%. However, not a single case of loan defaulter has been submitted to the court until now.

**3. BICMA, MoLHR and Royal Bhutan Police should continue with the practice of constant and strict monitor**

The House was informed that BICMA had always ensured to monitor the entertainment activities in the premises of Drayang. The resolution provided support for relevant agencies to work together towards strengthening a constant and strict monitoring of this entertainment sector. In addition, the resolution has also provided legal support to carry out works collectively with the designated agencies.

**4. Review the human and institutional related capacity of BICMA**

While discussing with RCSC on strengthening its institutional capacity on dire need of monitoring and research units and additional staff requirement, it was stuck in view of the national organizational development exercise being conducted by RCSC.

**5. Since most of the Drayangas do not own bar license, the Ministry of Economic Affairs should review and address the problem in collaboration with BICMA**

As per the resolution, the Committee raised the issue with the Ministry of Economic Affairs which has agreed to look into the issue upon assessment by the BICMA.

**6. BICMA should review the time extension of Drayangas beyond 11 pm**

The Royal Bhutan Police has expressed concern over the time extension of Drayangas to operate beyond the present 11 pm limit. Nevertheless, the BICMA has agreed to conduct assessment to ascertain the possible impact of the proposed time extension. A report will accordingly be submitted to the government upon completion of the study.

**7. Non-formal education to be introduced at Dawakha Open Prison and investigation on the issue of registration of children born in prison to be conducted**

The Ministry of Education is coordinating on provision of non-formal education for the inmates. The Ministry will provide a teacher and teaching materials for the prison.

Following the discussion forum, the Ministry has already written to Paro Dzongkhag Administration to appoint a NFE instructor immediately.

**8. Need to provide compound lights around inmates' hostels and others**

The lighting of compound is being considered by the Royal Bhutan Police and it is being installed through annual budget of the Prison Service Division. The toilet and bathing facilities are being face- lifted after the discussion between RBP and the house owner. The RBP has already submitted the requisition for a pick-up vehicle for the welfare of the inmates to the Ministry of Home and Cultural affairs.

**9. It was recommended that the Youth Rehabilitation Centre at Tsimasham should collaborate with National Commission for Women and Children and Youth Development Fund to implement continued care and development strategy for Youths after their release from the Centre**

It was reported that although the existing Child Protection Rules and Regulations 2015 will be beneficial, the Commission is severely constrained by lack of financial resources to implement these new rules and regulations.

**10. The Centre should collaborate with Ministry of Labour and Human Resources to admit Children in conflict with law into vocational institutes upon release. Need to provide computers to the Centre and allowing youths to participate in programs in national events were also recommended by the Committee**

The discussion forum brainstormed on the way forward to provide opportunities in vocational institutes to those children who have attained basic education through some basic vocational skills. It was agreed that opportunities for further learning and acquiring higher skills will be provided to interested children and three points were submitted as below:

- RBP has agreed to establish a regular system to furnish details of the youth, who wish to join vocational institutes to the Ministry.
- The Ministry of Labor and Human Resources will enroll them into existing skill development programs in order to prepare them for vocational training institutes.
- The Ministry will help the youth to find jobs upon their graduation from vocational institutes.

**11. Need to survey and choose a good site for the construction of the hostel & bakery unit was recommended by the Committee**

RBP has agreed to approach the Ministry of Home and Cultural Affairs through Chukha Dzongkhag Administration on the need to identify a new site for the

construction of hostels. In order for the inmates to learn bakery skills, the Centre is establishing a bakery unit in the compound.

In addition, the Members of Human Right Committee added that the relevant Ministries, Departments and Agencies have expressed full support to address children and youth related issues. The Women and Child Commission had also submitted that addressing the problems of women and children were their responsibility as well and to this effect, they have conducted research and formulated various plans. However, the main problems faced by the Commission were on budgetary and human resource front. Therefore, during the deliberation on budget, the House was requested to be mindful of the issue and render support.

Moreover, under the patronage of His Majesty the Druk Gyalpo, Dawakha open air prison was looked after by the Royal Bhutan Police which had initiated various programs. It has also proved to be beneficial to the women and children among prisoners.

During the deliberation on the report, the Minister for Economic Affairs and Members had submitted that according to rules and regulation, the selling of alcohol was restricted without bar license or by hiring bar license in the Drayangs. Therefore, the Ministry will review the problems caused by hiring of bar license in Drayangs. On extension of Drayangs' operation time beyond 11 pm, the Members

supported that programs were conducted in accordance to our culture without any harmful impacts. Moreover, Drayangs generated employment and business opportunities and hence BICMA must keep it as liberal instead of putting a complete ban.

The Minister for Works and Human Settlement submitted that responsibility of Women and Children Commission was to care and support women and children. Furthermore, rules were formulated according to the Domestic Violence Prevention Act 2013, Child Care Protection Act 2011 and Child Adoption Act 2013. It was reported that the problems faced according to the newly drafted rules mainly pertained to human resource and budget constraints. However the lack of legal experts was under the process of discussion with the Royal Civil Service Commission.

The House affirmed the additional report along with the report presented by the committee. The House noted that the report on implementation of resolution as per the terms of reference of the Human Rights Committee was commendable as the committee upheld the resolution of the 4<sup>th</sup> Session. This was an indication of National Assembly committees being capable and getting strengthened. To this, the House expressed its appreciation and directed the committee to update the House on the remaining activities which need further follow up.

*(9<sup>th</sup> Days of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 27<sup>th</sup> May 2015)*

## **11. Implementation report of Women, Children and Youth Committee**

The Chairperson of the Women, Children and Youth Committee reported to the 5th session of the National Assembly, as per the resolution No.12, on the implementation status of the resolutions of the 4<sup>th</sup> session of the National Assembly. The report included 23 recommendations of the committee. The Committee was instructed to follow up on the implementation of the resolution and to report the findings in fifth session by consulting with concerned ministries, departments and agencies. It was reported that the report has been accordingly prepared and additional seven recommendations were submitted as follows:

- i. Ministry of Health to look in to the legality issues in developing guidelines on reporting of teenage pregnancies and health workers protection while providing services and report to the committee.
- ii. Ministry of Education to carry out the advocacy program in school discipline policy
- iii. Government to approve Youth Action Plan
- iv. Review the Marriage Act (Amendment) 2009
- v. Amendment of Penal Code of Bhutan 2011
- vi. Government to identify lead agency responsible for coordinating and monitoring enforcement of the alcohol policy



- vii. Government to consult with Disabled Person Association of Bhutan while conducting disability study

Deliberating on the report, the deliberation was mainly held on section 183 of the Penal Code (Amendment) of Bhutan 2011 that caused the problems and was submitted for amendments. Moreover, submission was made on the need for harmonization of the Marriage Act (Amendment) 2009, Child Care and Protection Act and Penal Code of Bhutan (Amendment) 2011.

Although it was impossible to provide gynecologist to all 31 hospitals, it was necessary to provide one each to 20 Dzongkhag hospitals. Moreover, it was reported that the government would not have any problems in revising the maternity leave to 6 months. However, the revised maternity leave would affect women working in the private sector and thus the issue needs to be contemplated properly before any implementation.

The disparity pertaining to sections in the Marriage Act of Bhutan 2009 and Penal Code of Bhutan 2011 had caused census and other problems for the children. Although, submission was made to carry out review and amendment to this effect, the House should not decide immediately on the issue. It was submitted that it would be beneficial if the House could recommend the Human Rights Committee to sort out the inconsistency between the sections of two Acts

and submit the findings to the government's committee for review and harmonization of Acts. Question was raised whether or not the government could revise the maternity leave from three to nine months as pledged.

The House acknowledged the report submitted by the committee and expressed that the Women, Children & Youth committee upheld the resolutions of the 4<sup>th</sup> session and presented a report on the successful implementation of the resolutions. Expressing its appreciation, the House noted that this was mainly because of the cooperation rendered by the ministries and departments. The House endorsed the additional 7 points presented by the committee through a show of hands but two points which pertained to review of Acts were resolved as follow:

- i. On harmonization of Marriage Act, Penal Code of Bhutan and Child Care & Protection Act, the committee should submit a draft for review and amendment detailing the disparity sections to the committee for review and harmonization of Acts through the cabinet. If the committee for review and harmonization of Acts took time to do the necessary, the Women, Children & Youth Committee should re-submit a report accordingly to the House during the 6<sup>th</sup> session.
- ii. The committee was directed by the House to conduct research on the reasons for increased number of disabled people and present a report thereof. The House

noted that it was important to introduce early child care development not only in urban areas but also in rural areas. Accordingly, the House directed that a report should also be presented on the type of teachers which were required for early child care development.

- iii. It was resolved that as some of the resolutions were still under implementation, it should be revisited and a report on this should be presented to the House. On the five recommendations, it was resolved that coordination should be held with concerned ministries, agencies and institutions for conducting comprehensive assessment and accordingly present a report to the 6<sup>th</sup> Session.

*(9<sup>th</sup> Days of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 27<sup>th</sup> May 2015)*

*Note: Women, Children & Youth Committee's report is included in the booklet of committee reports.*

**12. Question Hour Group D: (Ministry of Works and Human Settlement, Ministry of Health)**

The Speaker informed that there were a total of three questions for the Question Hour. He informed that three minutes would be allotted for each question while seven minutes would be provided for each answer. It was also informed that two supplementary questions for each question would be allowed. With this, the Question Hour commenced.

- 1. The Member from Nubi-Tangsibji constituency questioned the Minister for Works & Human Settlement on the

modalities to pay compensations for lands lost during the Northern East-West Highway construction.

2. Since senior and experienced nurses were leaving jobs for employment opportunity in other countries, the Member from Panbang constituency asked the Minister for Health (represented by the Prime Minister) on the policies and plans to prevent this trend.
3. The Member from South Thimphu constituency questioned the Minister for Works & Human Settlement on what amount of capital budget and human resources would be required to establish Dzongkhag Thromdes and Yenlag Thromdes.

*Note: The deliberations and answers on the above questions can be referred in the verbatim of the Question Hour which has been printed separately.*

**13. Expression of congratulatory notes to the new Secretary General**

The Deputy Speaker introduced Mr. Sangay Duba, the new Secretary General of the National Assembly to the House. The new Secretary General graduated with qualifications in the field of agriculture and began his career as a Research Officer under the Ministry of Agriculture in 1989. He rose up to become the Program Director at Research & Development Centre in Bajo, Wangduephodrang. He had served as Trashigang Dzongda from 2010 to 19<sup>th</sup> May, 2015 for a period of 5 years. In accordance with article 2, section 19 of the Constitution of Kingdom of Bhutan, His Majesty the Druk Gyalpo appointed him as the Secretary General of the National Assembly. The House extended its

congratulations on his assumption of the post and expressed hopes that he would deliver efficient services with utmost dedication to the House and the Members.

#### **14. MOTION BY THE OPPOSITION PARTY**

##### **14.1. Motion related to Employment**

On behalf of the Opposition Party, the Member from Khengkhar Weringla Constituency moved three motions on Employment, Economy and Education related issues. Generally, the unemployment rate in the country increased from 2.1% to 2.9% and youth unemployment rate increased to 9.6% from 7.3%. The unemployment rate for men rose up to 9.2% from 7.3% and the unemployment for women increased to 9.9% from 7.2%. In a period of one year, the youth unemployment rate increased from 13.5% to 22.8% and which was an issue of concern.

The present Government has pledged to create 120,000 employment opportunities within 2013-2018 following the formulation of Youth Employment Policy. During the five year tenure, 30,000 job seekers were to be recruited overseas but the objective has not been successful as pledged. Therefore, policies on employment opportunities and plans and measures to reduce the unemployment rate by the government were questioned. Subsequently, the following seven recommendations were presented:

1. Business Development Policy must be formulated

2. To generate 10,000 Megawatt of electricity within 2020, the remaining projects must be implemented
3. Skills training must be imparted to youth seeking jobs
4. Review the Oversea Employment Guidelines
5. Employment in private sector must be implemented as per the Labour Act
6. Means to make investment in the country must be formulated
7. Business Idea Centre must be established in higher institutes

From the three motions, the Minister for Labour and Human Resources submitted on employment related motion. He expressed that the main objective of the 11<sup>th</sup> five year plan was to provide effective and productive employment to the Bhutanese people in order to fulfill the objectives of Gross National Happiness. In 2013, the unemployment rate was 2.9% and was reduced to 2.6% in 2014. Moreover, the unemployment rate for youth was 9.6% in 2013 which was reduced to 9.4% in 2014. The employment problem would continue to be a challenge due to the poor economic situation of the country. However, the government has provided in total 15, 840 employment opportunities and Nu.1.34 billion was kept in place towards employment for the 11<sup>th</sup> five year plan,.

The unemployment rate was 2.9% in October 2013 which was reduced to 2.6% after the present government took

over the governance of the country. With the aim to encourage youth to take interest in private sector, many programmes were initiated. Many job seekers had participated in guaranteed employment programs, vocational trainings for overseas employment, online employment registration and other trainings. Furthermore, Nu.1.34 billion of budget was kept in place out of which only Nu.166 million were utilized.

After the present government was formed in 2013, there was no specific employment policy and hence the new National Employment Policy was formulated. In line with this, the employment guideline, rules and various plans had been formulated. Therefore, a detail submission was made on the present employment status which was expressed to be commendable mainly because of the above initiative.

The House directed to abide by sections 122 and 124 (B) of the House's Rules of Procedure 2014, while submitting motions which must be on specific issues. Furthermore, it was reminded that documents pertaining to motions should be distributed to the Members prior to the motion being moved. As submitted, the House affirmed that the Ministry of Labour and Human Resources should make a presentation on employment policy, guidelines and plans to the Members of the National Assembly.

#### **14.2. Motion related to Economic situation**

The Member from North Thimphu constituency submitted that based on financial years 2013-2014 to 2014-2015, the present economic situation of the country did not improve as compared to previous two years. Due to delay in project implementations, development of the private sector had been affected and the unemployment rate had been increased. Moreover, since the pledges of the government were not being fulfilled on time, the goal of achieving self reliance by 2020 was a concern. Subsequently, the Opposition Party once again submitted the following motions:

**Firstly**, submission was made for economic visualization for the future and detailed reports by the four Task Forces were required as the country did not have a comprehensive economic action plan and clear economic measures. **Secondly**, clarifications were sought on when the planned activities as a whole reflected in the pledges of the Government, 11th five year plan and Annual State of Nation's Report of the Prime Minister would be completed. **Thirdly**, it was submitted that pledges of the government should be reviewed. Following the review, if pledges were not able to be fulfilled, goals and programmes should be changed as per priority and acknowledgment must be made for failures. **Fourthly**, extraordinary results should be delivered by the civil servants within 2020 as pledged.



While deliberating on four motions, the Minister for Economic Affairs submitted that some of the issues in the motions were deliberated during the Question Hour program and thus explanation was not required. On the lack of clarity of wholesome Economic Policy, it was submitted that one of the main basis for the Economic Policy of Bhutan was to realize the aspirations of His Majesty the Druk Gyalpo and His Majesty the Fourth Druk Gyalpo by achieving self reliance. Submission was made that until now, the works were being executed in line with the priorities of five year plans and the objectives of the 11<sup>th</sup> plan were also to achieve self reliance.

Further, there were 16 national goals in the 11<sup>th</sup> five year plan; the economic development rate was 10% in 10<sup>th</sup> five year plan which was aimed to be taken up at 11% in the 11<sup>th</sup> five year plan. In the 10<sup>th</sup> five year plan, the poverty rate was at 12% and target was to bring it down to 5% in the 11<sup>th</sup> five year plan. In the past, self sufficiency was at 65% and the target at present was to increase it to 75% in 11<sup>th</sup> five year plan. It was submitted that since wholesome economic action plans and policies were included in detail in the 11<sup>th</sup> plan, concerns should not be felt.

The Leader of Opposition submitted that the 11<sup>th</sup> plan policy included exemption of electricity and small business tax and provision of free tooth paste, tooth brush and other

necessary facilities to the students. He submitted that these would affect the goal of achieving economic self reliance and therefore, the policy needs to be once again reviewed.

### **14.3 Motion related to Education**

The Member of Parliament from Panbang Constituency submitted that the government's plan to come up with the Central School Policy was not based on principles of equity and justice as only 49 schools and 10% of the students and some teachers were going to be benefited. He also submitted that management and sustainability to this effect was a concern. It was further submitted that although the government has been in power for more than two years, teachers' shortage in the country could not be addressed and there was no plan to provide guaranteed job to the trainees undergoing teacher training in future. Moreover, the education blueprint for 2014-2024 did not reflect technical and vocational skills development programmes and thus the roadmap would not be of benefit.

If activities pertaining to Central School were to be continued, the policy, system and teacher training programmes should be formulated in detail and also resolve unemployment and teacher shortage in the country. Moreover, the Education Blueprint must include skills and technical training programmes with adequate financial assistance. Teacher training centers and schools above middle secondary standard must include job orientation programmes in their curriculum.

On this, the Minister for Education submitted that the Ministry is continuing with implementation of education policy that has been instituted by His Majesty the Druk Gyalpo and His Majesty the Fourth Druk Gyalpo which was continued to be implemented. The education blueprint 2014-2024 was formulated after consultation with the general public and it should be considered as a road map rather than a policy. Furthermore, the education blueprint was subject to rectifications and amendments. The central schools fell under the government's programme of school modification and were endorsed by the resolution of the House. Towards this, it was imperative for the parents and general public to render support.

The House expressed that the recommendations and reminders submitted by the Opposition Party was being implemented by the Ministries and Departments and thus no separate resolution to this effect was required. However, it was directed to adopt appropriate measures if confronted with problems and challenges during the implementation process.

*(14<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 1<sup>st</sup> June 2015)*

**15. Bhutan enters in to the Guinness Book of World Records by planting 49, 672 saplings at Kuenselphodrang**

It was reported that the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo was being commemorated by all the people, religious bodies, business communities

and the schools of 20 Dzongkhags. Similarly, under the project PICSA, 11 commemoration events were organized of which 5 have been successfully executed so far.

One of the five programmes was plantation of 49,672 saplings within one hour by 100 volunteers comprising of public, civil servants, Dessups, business people and students on the 2<sup>nd</sup> of June 2015. The event entered the Guinness Book of World Records under the patronage of Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck and coordinated by Project Manager Karma Tshering. The event was successful because of the collective merit of the Bhutanese people.

On behalf of the Members of Parliament and the people of Bhutan, appreciation was expressed to Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck, Mr. Karma Tshering, Coordinator and the 100 volunteers for their participation.

Moreover, His Majesty the Druk Gyalpo has always commanded that there was nothing that the people of Bhutan could not do or were not capable of. It all depended on the willingness to do. Therefore, the efforts and concentrations put in by the 100 volunteers had not only accrued great benefit by setting a good example but were also able to pay tribute to His Majesty the Fourth Druk Gyalpo by planting 49,672 saplings. It was submitted that with such initiative, the objective conserving Bhutan's green environment could also be achieved.

**16. Signing Day of the Bhutan Children's Constitution**

It was informed that Bhutan Children's Constitution was sanctified before the *Machhen Lhakhang* in Punakha Dzong. The Constitution was then signed inside the *Kuenrey* of the Dzong by 222 student representatives from 153 democracy clubs. It was announced that the signing of the Constitution would greatly benefit to promote education on democratic values and strengthen the foundation of democracy. It was acknowledged that on the auspicious day of *Sa-ga-dawa*, two events of national importance were held which were historic for the country. The Parliament expressed its appreciation to the Election Commission of Bhutan for coming up with such initiative which has been successful with support from the Ministry of Education and the schools of 20 Dzongkhags. Further, it was informed that it was imperative to emphasize on the programme and constantly work towards it.

**17. First Kasho granted for the declaration of Thromdes**

Royal Assent is hereby granted for the submission on declaration of remaining Thromdes and Yenlag Thromdes in 16 Dzongkhags during the Joint Sitting of the 5<sup>th</sup> Session of the 2<sup>nd</sup> Parliament scheduled on 3<sup>rd</sup> and 4<sup>th</sup> of June 2015.

**Druk Gyalpo**

The deliberation commenced after the Secretary General upon the directives of the Speaker read out the Royal Kasho granted by His Majesty the Druk Gyalpo.

### **17.1 Recommendations for the declaration of Dzongkhag Thromdes and Yenlag Thromdes**

The Minister for Works & Human Settlement submitted that Dzongkhag Thromdes and Yenlag Thromdes were to be declared as per the provisions of the Constitution of Bhutan and the Local Government (Amendment) Act 2014. Accordingly, as directed by the Cabinet, the Ministry had distributed three guidelines to Dzongkhags. These guidelines were for identification of Thromdes, boundaries and evaluation of boundaries for suitable selection and identification for declaration of Thromdes.

The Dzongkhag Tshogdus had identified Dzongkhag Thromdes and Yenlag Thromdes as per the guidelines of the Local Government which were reassessed by the Ministry. Recommendation was made to declare larger towns located at the Dzongkhag Administration Centers as Dzongkhag Thromdes. However, it was submitted that Phuentsholing has been identified as the Chukha Dzongkhag Thromde, Gelephu as the Sarpang Dzongkhag Thromde and Nanglam has been identified as the Pema Gatsel Dzongkhag Thromde.

The largest town in the Dzongkhag had to be considered as the Dzongkhag Thromde and town smaller than the Dzongkhag Thromde had to be considered as the Yenlag Thromde. It was submitted that most of the Yenlag

Thromdes had potential to fall under the larger towns while Bondey in Paro with more area than a Dzongkhag Thromde has been identified as the Yenlag Thromde. Although Gedu, Tingtibi and Jomotsangkha townships were regarded as Throms for many years with urban taxes being levied in these areas, it had not be included under Yenlag Thromde. However, these towns would continue to receive services from the Dzongkhag Municipalities. It was submitted that opportunities also stood for these towns to be upgraded to Yenlag Thromdes in future.

It was reported that there was no changes to the Thromde boundaries of 12 Dzongkhags which was identified by the 5<sup>th</sup> Session of the First Parliament in the year 2010. However, Small changes were made to the boundaries identified by the Parliament in the year 2010 for the remaining eight Dzongkhags.

The recommendations for the declaration of Dzongkhag Thromdes and Yenlag Thromdes have been presented to the Members of the National Council and the National Assembly. It was set forth to hold good deliberations and endorse the recommendations for Thromdes in preparation to the second Local Government elections to be held in the year 2016.

Deliberating on the recommendations, the Members led by the Member from Khar Yurung constituency expressed their views as follow:

The 5<sup>th</sup> Session of the First Parliament and the erstwhile National Assembly had resolved on Denchi to be declared as the Dzongkhag Thromde. Even the Gewog Tshogdes had made submissions for Denchi to be declared as the Dzongkhag Thromde. It was questioned on what basis a special Dzongkhag Tshogdu was held which decided on Nganglam to be the Dzongkhag Thromde. The House was requested to contemplate on the issue and support Denchi to be declared as the Dzongkhag Thromde.

It was submitted that every development activities had to be in line with the laws before implementation. Skepticism was expressed that the deliberation on the declaration of Dzongkhag Thromdes and Yenlag Thromdes were contradicting the provisions of section 90 of the Election Act of 2008.

Submission was made that works towards establishing Thormdes could be implemented gradually after formulating clear plan and policies pertaining to Throms and considering feasibility surrounding agricultural prospectus, natural resources and population. Clarifications were sought on how to go about with urban taxes paid by smaller towns which were already referred as Throms but not included under the Yenlag Thromde.



It was set forth that deliberations should be held properly as disagreement could ensue between the boundaries prepared at present based on the population and number of buildings and the one which would be prepared by the Delimitation Commission in future based on the voting results. Equal opportunities should be provided to people in rural areas while urbanization takes place in the country. Questions were raised on when the Thrompons and Thromde Members would be elected along with financial readiness for establishing Thromdes as it would require huge amount.

To this, the Ministers led by the Minister for Works & Human Settlement submitted that it was imperative to establish Thromdes as per the provisions of the Constitution in order to develop remote Dzongkhags of the country. It was set forth that problems would not occur if the provisions of the Constitution were interpreted liberally. It was submitted that Nanglam was identified as Pema Gatsel Dzongkhag Thromde based on its area coverage and as many government offices were in the pipeline to be established in the area.

As recommended by the Minister for Works & Human Settlement, the Speaker announced that Local Government (Amendment) Act 2014 was recently passed in order to prepare for the second Local Government elections. Further, the House had expressed support and acknowledgment to the recommendations in general. Thus,

it was directed that boundaries for individual Dzongkhags reflected in the recommendations for Dzongkhag Thromde and Yenlag Thromde should be deliberated and endorsed given its importance.

Following this, consensus was reached on maps and recommendations of six Dzongkhag Thromdes of Bumthang, Chukha, Dagana, Gasa, Lhuentse and Punakha. However, submissions were made to merge Gyalposhing Yenlag Thromde with Mongar Dzongkhag Thromde, Bondey Yenlag Thromde to be merged with Paro Dzongkhag Thromde and changing Pema Gatshel Dzongkhag Thromde from Nganglam to Denchi. Thus, Thromdes for Mongar, Paro and Pema Gatshel Dzongkhags were cancelled as it could not be endorsed. The House called the attention of the Members to reflect properly and re-deliberate on declaration of Thromdes of three Dzongkhags. With this, the first day of deliberation on Thromdes concluded.

## **17.2 Continuation of deliberation on Dzongkhag Thromdes and Yenlag Thromdes**

Deliberating on the Samdrupjongkhar Dzongkhag Thromde on 4<sup>th</sup> June 2015, the Minister for Works & Human Settlement submitted that the essence of democracy was to fulfill the aspirations of the people. Therefore, Thromde had to be established in each and every Dzongkhag for providing fundamental amenities. The Minister submitted that deliberation on the boundaries of Thromdes had to be

conducted with thoughtfulness and requested for the re-deliberation on three Dzongkhag Thromdes which had been revoked.

To this, the Members led by the Member from Chumey Ura constituency opined that there was no need to cast vote at the end of the deliberations as the recommendations on declaration of Thromdes was not a Bill. As per the provisions of the Constitution, alteration to any area or boundaries of Dzongkhag and Gewogs must be adopted with three fourth of the total votes and thus votes had to be cast ultimately. Submission was also made that four category 'A' Thromdes endorsed during the 5<sup>th</sup> Session of the First Parliament should not be included in the deliberations.

Some of the Members set forth that boundaries of Thromdes should be adopted with three fourth majorities by following the provisions of laws and the Constitution and votes should be cast ultimately on the recommendations as a whole. Some other Members expressed that conversion of category 'B' Thromde in 2010 to category 'A' Thromde at present would affect its boundaries and the boundaries of the constituencies. It was submitted that as per the provisions of the Constitution and the Election Act, delimitation of boundaries could only be made after ten years. Thus, the legality of the issue was a question and it was reminded that deliberations could not be held if it was contradictory to laws.

Other Members and Ministers submitted that one Dzongkhag Thromde had to be established in each and every Dzongkhag as per the Local Government (Amendment) Bill 2014. The deliberation held at present was to make the boundaries and not the delimitation of constituencies. Thus, section 4 of article 1, section 2 of article 22 of the Constitution and the electoral laws were not violated. In addition, problems were not foreseen for holding deliberations as the Constitution has empowered the Parliament to alter boundaries and areas. It was submitted that laws would not be infringed if deliberations were held without confusing boundaries for delimitation.

Following this, the Member from Panbang constituency submitted on the merger of proposed Tingtingbi Yenlag Thromde with Zhemgang Dzongkhag Thromde given its appropriateness. To this, led by the Member of National Council from Zhemgang Dzongkhag, most of the Members submitted in support of merging Tingtingbi town with Zhemgang Dzongkhag Thromde.

However, some of the Members led by the Chairperson of the National Council submitted that although Members acknowledged and supported in favour of merging Tingtingbi town with Zhemgang Dzongkhag Thromde, it was imperative to follow due process of law. He submitted that it was important to understand the maps and population

of Tingtingbi town and thus the deliberation to this effect has to be deferred until the relevant Ministry present relevant maps to the Parliament.

The Minister for Works & Human Settlement submitted that administrative and management problems may surface if Tingtingbi town was to be merged with Zhemgang Dzongkhag Thromde. Therefore, it was informed that the Ministry had set aside Tingtingbi town as before although maps and other documents were ready.

Following extensive deliberation on the issue, the decision was put to vote on whether or not to merge Tingtingbi town with Zhemgang Dzongkhag Thromde. From the total of 64 Members, 52 Members voted 'Yes' and seven Members voted 'No' while five Members abstained from voting. Consequently, Tingtibi town was decided not to be with merged Zhemgang Dzongkhag Thromde as it failed to secure three fourth of total votes.

Similarly, deliberations could not be concluded on Thromdes of Dzongkhags which were revoked earlier. In the mean time, the Minister for Finance and the Minister for Home & Cultural Affairs submitted that it would be difficult to reach on a resolution for the day and thus a separate time has to be scheduled for continued deliberations.

The Speaker gave the floor to the Members to express their opinion on the submissions made by the above Ministers.

Upon this, the Chairperson of the National Council set forth that regarding time for continued deliberation on Thromdes, the Speaker and the Chairperson could submit before His Majesty the Druk Gyalpo. The House accordingly resolved on the submission made by the Chairperson of the National Council.

### **17.3 The Second Royal Kasho for continued deliberation on declaration of Dzongkhag Thromdes and Yenlag Thromdes of 16 Dzongkhags**

Consensus could not be reached on the declaration of Dzongkhag Thromdes and Yenlag Thromdes for 16 Dzongkhags on the 3<sup>rd</sup> and 4<sup>th</sup> of June 2015 in the Joint Sitting convened during the 5<sup>th</sup> Session of the Second Parliament. Royal assent is hereby granted to the submission for convening the Joint Sitting of Parliament to re-deliberate on the agenda on the 10<sup>th</sup> of this month.

*Granted on 21<sup>st</sup> Day of the 4<sup>th</sup> Month of the Female Wood Sheep Year*

**Druk Gyalpo**

The deliberation commenced after the Secretary General upon the directives of the Speaker read out the Royal Kasho granted by His Majesty the Druk Gyalpo.

On the 10<sup>th</sup> of June 2015, the Speaker informed that proposals for declaration of Dzongkhag Thromdes and Yenlag Thromdes for only few Dzongkhags were endorsed

although deliberations were held on 16 Dzongkhags on the 3<sup>rd</sup> and 4<sup>th</sup> June 2015. It was informed that deliberations were called off as resolution could not be reached on the agenda. Accordingly, upon submission to His Majesty the Druk Gyalpo as resolved by the Members, the Royal assent has been granted for re-deliberation. The Speaker announced that deliberations were extensively held on objectives, policies and principles for the need of Dzongkhag Thromdes and Yenlag Thromdes in the past two days. Thus, re-deliberation on these issues were not required and the recommendations and draft maps presented by the Ministry of Works and Human Settlement for remaining 16 Dzongkhag Thromdes and Yenlag Thromdes had to be voted on for endorsement. It was directed that Members had to be thoughtful and conclude on a productive outcome.

Following this, the Minister for Works & Human Settlement reported that the recommendations of draft maps for declaration of Dzongkhag Thromdes in the remaining 16 Dzongkhags and 20 Yenlag Thromdes were presented to Parliament. The Minister submitted that deliberating on the agenda on the 3<sup>rd</sup> and 4<sup>th</sup> of June 2015, main issues of discussion were merger of Gyalposzhing town with Mongar Dzongkhag Thromde, merger of Bondey town with Paro Dzongkhag Thromde and Tingtingbi town with Zhemgang Dzongkhag Thromde. She also added that of the main issues of contention was changing Pema

Gatshel Dzongkhag Thromde from Nganglma to Denchi. These were the issues because of which Dzongkhag Thromdes and Yenlag Thromdes could not be endorsed and the deliberations had to be adjourned.

The Minister submitted that as directed, new maps for the above four Dzongkhags and revised maps for Dzongkhags on which consensus could not be reached were being presented. It was submitted to refer the revised maps for endorsement of Dzongkhag Throdmes and Yenlag Thromdes.

On the recommendations presented by the government on establishment of Dzongkhag Thromdes and Yenlag Throdmes, the Leader of Opposition and Members questioned about the plans, policies and financial preparedness to this effect. It was submitted that while establishing Yenlag Thromdes, its administration and management with decentralization of power were far more important than appointing a Member to the Dzongkhag Thromde. This had to be emphasized on and it was imperative for every development activity to be made in line with laws before its actual implementation. Therefore, doubts were expressed that consultations carried out at present on Dzongkhag Thromdes and Yenlag Thromdes were not in line with the Constitution and moreover with section 90 of the Election Act.



In addition, no changes could be made to the boundaries as per section 90 of the Election Act for a period of 10 years. Thus, deliberations can not be held on the four Thromdes 'A' identified during the 5<sup>th</sup> Session of the First Parliament in 2010. It was submitted that it was imperative to ascertain on how to interpret the section pertaining to a period of 10 years within which boundaries can not be changed once the Thromdes were identified.

Clarifications were also sought on the timing for elections pertaining to Dzongkhag Thromdes and Yenlag Thromdes if endorsed or whether it would be held along with Local Government elections.

To this, the Ministers and other Members submitted that recommendations on Dzongkhag Thromdes and Yenlag Thromdes made by the Ministry of Works & Human Settlement were in line with relevant laws and national policies. In addition, budget for preparation of local area plans and basic amenities for establishing Thromdes were adequately set aside. It was pledged that the government was not only going to support the Thromdes which would be endorsed but also for the development of facilities in existing Throms. It was expressed that issues pertaining to the census registration of business people would be a problem faced in holding Thromde elections.

The House expressed that as enshrined in sections 3 and 4 of the Constitution “... **shall be done only with the consent of not less than three fourths of the total number of Members of Parliament**”, the declaration of Dzongkhag Thromdes and Yenlag Thromdes would be endorsed by putting to vote accordingly. Consequently, with subsequent voting on individual Dzongkhag Thromdes, the following 15 Dzongkhag Thromdes were endorsed:

Sl. no	Dzongkhag Thromde	Yes	Abstain	No	Remarks
1.	Bumthang	62	5	6	Endorsed
2.	Dagana	57	5	6	Endorsed
3.	Gasa	57	3	7	Endorsed
4.	Haa	58	4	7	Endorsed
5.	Lhuentse	58	5	5	Endorsed
6.	Punakha	62	1	5	Endorsed
7.	Samtse	62	3	3	Endorsed
8.	Tashigang	56	5	5	Endorsed
9.	Tashi Yangtse	59	4	6	Endorsed
10.	Trongsa	57	4	7	Endorsed
11.	Tsirang	59	4	3	Endorsed
12.	Wangdue Phodrang	62	1	3	Endorsed
13.	Zhemgang	60	4	4	Endorsed
14.	Mongar	58	5	5	Endorsed
15.	Paro	60	2	6	Endorsed

As per the first draft recommendation, the House voted on ascertaining the support for Paro Dzongkhag Thromde. As a result, it was not endorsed since it did not meet three-fourths ( $\frac{3}{4}$ ) of the total votes. However, as per the second draft recommendation, the House voted on the Thromde map which is inclusive of Paro Dzong, Ta Dzong, Tshongdu Town, Paro College of Education and the Airport as proposed. Consequently, it was once again endorsed as per the above table after securing three-fourth ( $\frac{3}{4}$ ) of the total votes.

While voting on indentifying Nganglam as Pema Gatshel Dzongkhag Thromde, out of 68 Members present, 37 Members voted “Yes”, 25 Members voted “No” and 6 Members voted “abstain”. Therefore, proposal for Nganglam as Dzongkhag Thromde could not be endorsed since the votes did not meet the requirement of three-fourths ( $\frac{3}{4}$ ) of the total votes. Similarly, while voting on Denchi as Dzongkhag Thromde, out of 68 Members voting, 33 Members voted “Yes”, 23 Members voted “No” and 12 Members voted “abstain”. As the votes did not meet three-fourths ( $\frac{3}{4}$ ) of the total votes, Denchi could not be endorsed as Dzongkhag Thromde as well. Therefore, establishing Dzongkhag Thromde for Pema Gatshel could not be endorsed.

Nevertheless, the House directed if the Ministry of Works and Human Settlement, Dzongda and Local Government Leaders could carry thorough consultations with the people

and submit a report and recommendations to the Parliament at the earliest possible. It was submitted that this would help to adopt Dzongkhag Thromde for Pema Gatshel.

The Minister for Home and Cultural affairs submitted that as Yenlag Thromde did not have separate constituency, Yenlag Thromde Administration must be put under Gewog Administration which was in accordance with the Local Government (Amendment) Act 2014. On this, the Member from Chumey- Ura constituency and other members submitted that Yenlag Thromde after being identified and endorsed should be considered as Local Government entity. It was also submitted that if Yenlag Thromde Administration was to be put under Gewog Administration, three-fourths of the total votes would not be required to this effect as it would remain same as before. Moreover, motion was also raised that policies regarding the Thromde facilities and basic infrastructures must be clearly mentioned.

In accordance to the provisions of Sections 3 and 4 of the Article 1 of the Constitution of the Kingdom of Bhutan, it is provided that “...***shall be done only with the consent of not less than three-fourths of the total number of members of the Parliament***”. Therefore, the House voted for the declaration of Yenlag Thromde and endorsed

fourteen Yenlag Thromdes for the following fourteen Dzongkhags through voting:

**Dzongkhag Yenlag Thromde**

Sl. No.	Dzongkhag	Yenlag Thromde	Yes	No	Abstain	Remarks
1.	Bumthang	Chumey	58	2	3	Endorsed
2.	Dagana	Lhamoidzingkha	61	1	3	Endorsed
3.	Gasa	Damji	58	1	5	Endorsed
4.	Haa	Jungkana	56	2	6	Endorsed
5.	Lhuentse	Autsho	60	1	4	Endorsed
6.	Punakha	Lobesa	60	1	4	Endorsed
7.	Samtse	Gomtu	61	1	3	Endorsed
8.	Tashigang	Rangjung	60	1	4	Endorsed
9.	Tashi Yangtse	Duksum	59	1	5	Endorsed
10.	Trongsa	Kuenga Rabten	59	1	5	Endorsed
11.	Tsirang	Mendrelgang	56	3	6	Endorsed
12.	Wangdue Phodrang	Norbuding	60	1	4	Endorsed
13.	Zhemgang	Panbang	57	4	4	Endorsed
14.	Mongar	Yadi	59	1	5	Endorsed

Yenlag Thromde for Paro Dzongkhag was recommended to be identified in any of the three places of Bjitsephu, Betekha and Wanakha. On this, the concerned Members after sharing the benefits of the community and deliberating

on the issue voted on Bjitsephu to be identified as Yenlag Thromde. Out of 65 Members voting, 28 Members voted “Yes”, 28 Members voted “No” and nine Members voted “Abstain”. Therefore, Bjitsephu could not be endorsed as Yenlag Thromde since the votes did not meet three-fourths (3/4) of the total votes. Secondly, while voting on Betekha, out of 63 members voting, 44 Members voted “Yes”, 14 Members voted “No” and five Members voted “Abstain”. Therefore, Betekha could not be endorsed either as the votes did not meet three-fourths (3/4) of the total votes. Thirdly, while voting on Wanakha, out of 63 Members, 38 Members voted “Yes”, 18 Members voted “No” and seven Members voted “Abstain”. Therefore, Wanakha could not be endorsed since the votes did not meet three-fourths (3/4) of the total votes. Hence, the Yenlag Thromde for Paro Dzongkhag could not be endorsed.

**Similarly, as Dzongkhag Thromde for Pema Gatsel could not be endorsed, the House did not deliberate on the Yenlag Thromde.**

Prior to the deliberations were held on Four category ‘A’ Thromdes which was endorsed during the 5<sup>th</sup> Session of the First Parliament in 2010, the Chairperson of the National Council raised doubts whether the matter was appropriate to be deliberated as it was not reflected in His Majesty’s Royal assent. On this, the Member from Chumey- Ura constituency submitted with justification that the Royal

assent included *remaining Dzongkhag Thromdes and Yenlag Thromdes*. Accordingly, while voting, the majority of the Members supported in favour through the show of hands thus meeting the three-fourths (3/4) of the total votes. Therefore, the Four category ‘A’ Thromdes were endorsed as follow:

**Yenlag Thromdes for four ‘A’ category Thromdes `**

Sl. No.	Dzongkhag	Yenlag Thromde	Yes	No	Abstain	Remarks
1.	Chhukha	Tsimasham	60	1	3	Endorsed
2.	Samdrup Jongkhar	Samdrup Chhoeling	58	1	4	Endorsed
3.	Sarpang	Sheychamthang	60	1	4	Endorsed
4.	Thimphu	Khasadrapchu	59	1	4	Endorsed

*Note: The maps and recommendations on Thromdes were distributed to the Hon Members and the report by the Minister, MoWHS is included in the booklet of committee reports.*

On behalf of the Ministry of Works and Human Settlement, the Minister for Works and Human Settlement expressed thanks for the successful adoption of Dzongkhag Thromdes and Yenlag Thromdes. The Minister expressed that the declaration was made as recommended and shared the importance of reviewing plans and policies for the Thromdes. Furthermore, the Minister assured to comply in accordance with the order of the House on unresolved Dzongkhag Thromdes and Yenlag Thromdes and submit to the Parliament thereof.

On this, the House expressed thankfulness for the successful adoption of remaining 15 Dzongkhag Thromdes and 18 Yenlag Thromdes. The House also extended gratitude to Local Government leaders, Dzongdas and Chairman of Dzongkhag Tshogdus for their noble initiatives and recommendations. These initiatives were aimed for establishing Dzongkhag Thromdes and Yenlag Thromdes considering the equal regional and community development. Additionally, the House offered words of appreciation to the officials of the National Land Commission and Ministry of Works and Human Settlement for their selfless services and productive outcome. With this, the deliberations concluded on Dzongkhag Thromdes and Yenlag Thromdes.

*(23<sup>rd</sup> Day of the 4<sup>th</sup> Month of Wood Female Sheep Year corresponding to the 10<sup>th</sup> June 2015)*

- 18. QUESTION HOUR GROUP A (Questions related to Prime Minister, Ministry of Home and Cultural Affairs and Ministry of Information and Communications)**
1. The Member from Gelephu Constituency asked Minister for Home and Cultural Affairs regarding the relocation of Gelephu Dungkhag Office which was endorsed through voting during the 7<sup>th</sup> Session of the Dzongkhag Tshogdu. Despite the issue being forwarded to the MoHCA a year ago, no recognition has been received till then. He asked the Minister for an explanation for the prolonging of and the timing for the relocation of Gelephu Dungkhag Office.



2. The Member from Chhokhor -Tang Constituency asked the Minister for Home and Cultural Affairs (Prime Minister's representative) regarding the government's various activities which were illegal and contradictory to the Constitution of Bhutan and Laws. These were also reported as mistakes on the part of the government by legal institutions. He asked the Minister about the government's measures in overcoming those issues and to whom the responsibilities and accountability had to be affixed.
3. The Member from Bumdeling- Jamkhar Constituency questioned the Minister for Information and Communications on a group of taxi owners who have appealed regarding the inconveniences of electric cars when used as taxis. He asked the Minister on the status of the appeal and clarification was sought on the issue.
4. The Member from Nanong- Shumar Constituency asked the Minister for Home and Cultural Affairs regarding the Royal Civil Service Commission's deduction of some amount from the civil servants' salary for the welfare fund. In addition, similar norms of deducting some amount for Staff welfare Fund in each Ministry were also shared. Therefore, she asked the Minister regarding government's move to look into these serious problems of the low income civil servants who were facing the brunt of double deductions at the same time.

5. The Member from Radhi- Sakteng Constituency (representing the Member from Dramedtse- Ngatshang Constituency) asked the Minister for Home and Cultural Affairs regarding the deliberation on the Royal Bhutan Police Act of Bhutan in 2009; whereby employing orderly for a Police Officer has been perceived as an act of embarrassment and thus such system were to be abolished with an agreement that the allowances would be paid instead. Therefore, he asked the Minister for the clarification on the agreed status.

*(Note: the full detail of the question and answer can be obtained from the verbatim booklet of the Question Hour printed separately)*

**19. QUESTION HOUR GROUP B (Cancelled)**

The Opposition Leader submitted that the Question Hour Session has been creating confusion between the Members and the people rather than being beneficial. He suggested that the Question Hour system should be revised justifying that issues were not being able to be deliberated in detail. As no conclusion was being reached with good resolution, the people tend to lose their trust as well. It was submitted that with only 3- 5 minutes of time period for each question, the Question Hour failed to provide clarity. Therefore, it was proposed that if new system could be implemented from the 6<sup>th</sup> Session, whereby three ministries could be asked questions daily instead of having the Question Hour. It was proposed that this would provide for extensive deliberations.

In addition, submission was made that the question hour was important for sharing the problems and concerns by every Member from respective constituencies by questioning the Ministers. Thus, the Question Hour was not a programme only for deliberations between opposition Members and Ministers. He shared that apart from few ruling Members, most of the questions were asked by the opposition Members and frequent asking of questions has been perceived as that of finding an edge on an egg by the ruling members.

On this, the Prime Minister suggested that the Question Hour would have no problem if it was conducted as per the Rules of Procedure (RoP). Besides, he agreed on the acceptance of questions for clarification on the concerns and reminders expressed by both ruling and opposition Members.

To this, the House entrusted the responsibility to the Chairperson of the House Committee to amend the Rules of Procedure (RoP) in order to make some changes in the Question Hour in the upcoming winter session.

*(22<sup>nd</sup> Day of the 4<sup>th</sup> Month of Wood Female Sheep Year corresponding to the 9<sup>th</sup> June 2015)*

**20. Annual Anti-Corruption Commission Report, 2014**

As per Section 4, Article 27 of the Constitution of the Kingdom of Bhutan, the Deputy Chairperson of the Good

Governance Committee presented the 8<sup>th</sup> Annual Report of the Anti-corruption Commission (ACC) to the 5<sup>th</sup> Session of the Second Parliament. Since the tenure of the present Commission was coming to an end, the 8th Annual report contained comprehensive coverage from 2006 till 2014 for past nine years. The Committee had summarized the report into eight main points and the following observations and recommendations were submitted by the Committee and ACC:

**Recommendations made by the ACC**

- i. The ACC be made strong and attractive with right leadership and organizational strategies with sincere and tangible public and political support at all times.
- ii. The ACC's human resources be developed on a long term horizon if ACC is to stay relevant and effective.
- iii. To make the criminal justice system effective, the capacity of office of the Attorney General in terms of human resources to be enhanced urgently.
- iv. Develop coordination and collaboration platform for law enforcement agencies to proactively share their resources.
- v. The Judiciary, the ACC and the OAG to deliberate on making the processes of investigation, prosecution and adjudication more effective and efficient.
- vi. The Government to direct agencies to take actions as per the final verdicts of the courts.

- vii. The recent amendment of the Entitlement and Service Conditions for the Holders, Members and Commissioners of the Constitutional offices Act 2014, which was passed by the National Assembly allowing the constitutional commission members to revert to their earlier posts in the public service as the case may be after completion of their term as commissioners merited revisiting;
- viii. The Government to instill a deeper understanding among public servants of the need for cost consciousness in the procurement process;
- ix. The Government to avoid situations of conflict of interest in all agencies.

## **1. GGC's Observations and Recommendations**

### **Observations**

- i. Given the smallness of the Bhutanese society, the task of combating corruption was one of the most difficult tasks of such an institution. Yet, the ACC had been conducting its business without fear or favour in the true sense of the term.
- ii. The present Commission had set an excellent example of how to take anti-corruption measures, starting from its own office, using integrity diagnostic tools and from educating and advocating of good practices to investigating and prosecuting corruption cases.

- iii. A highly significant aspect to be noted is that *“ACC till date has not allowed itself to be influenced by anyone or anything under any circumstances whatsoever; there has neither been any attempt from anyone to influence the ACC”*.
- iv. While the question of independence of the ACC in the complete sense of the word remains unclear, the ACC has acknowledged that it had been receiving full support from the past and the present governments in terms of the adequacy of budgets.
- v. The Commission, whose term is ending soon, has established a highly effective system of administration and management that would allow any future Commission to perform its mandate effectively and efficiently. Further, the Commission has conducted itself and performed its functions in the most exemplary way.

**a) Recommendations:**

- i. The RCSC and the ACC have to expedite the process of resolving the ACC’s Human Resources issues as per the NA’s resolution in the 2014 session.
- ii. The Government should create a mechanism for sharing of information with the ACC and the agencies.
- iii. The Government should strengthen systems

- iv. To make investigation processes more effective and efficient, the Judiciary, the OAG and the ACC should deliberate and agree upon a clear procedure.
- v. To minimizing land fraud cases
- vi. As per resolution no 11.1, the ACC has reiterated the need to obtain an interpretation of the word “independence” in respect of the ACC from Supreme Court. This should be followed up. The Parliament should seriously consider the independence of the ACC, and if not totally independent, then it should be at least granted full independence with respect of Human Resources.

The House deliberated on the section 4 and point C of section 5 of the report at length. The section 4 of the report pertaining to the lack of adequate human resource in the organization due the Commission’s lack of full independence. The ACC's request on the importance of having full independence was based on the inability to investigate the cases they receive on time. The ACC has received annually on average 450 complaints of which only 3.4% of cases were investigated successfully due to human resources limitations, creating a huge back-log.

Deliberating on the report, the Members extensively discussed on Section 4 and clause C of the Section 5 of the report. Section 4 of the report indicated that the ACC had received 450 complaints on average annually of which only

3.4% were able to be dealt. Thus, on the submission made for grant of autonomy to the commission was supported by few Members. However, most of the Members submitted that if the ACC was granted autonomy, other institutions may also make similar submissions and furthermore it would not be in line with the policy of keeping the number of civil servants at minimum.

Although support was not expressed for grant of autonomy to the ACC, it was expressed that ACC and the Royal Civil Service Commission should address the issue of human resource constraint in consultation with each other.

The construction of road between Dalabari and Dagapela was suspended by the ACC greatly affecting the people of the locality. In addition, re-tender of the work following the termination of previous contractor inflicted loss of Nu. 20 million to the government. It was submitted that in future, it was imperative for the ACC to carryout proper assesment while conducting investigations.

To this, the Minister for Works & Human Settlement submitted that the Ministry had carried out works in line with the prescribed procedures and documents. However, following the complaint lodged by disatisfied people to the ACC, the commission had orderd the suspension of road widening works. Accordingly, it was submitted that upon re-assesment, the work had to be awarded to a different contractor.



On the Clause C of Section 5 of the report, the policies of the government regarding the import of electric vehicles were contradictory to the provisions of the Constitution of Bhutan and Import of vehicles and Gift Regulations 2009. Some Members from the Opposition Party submitted that the policies were contradictory to the rules and regulations as stated in the report. Furthermore, the Opposition Leader submitted that the government should look into the matter regarding the contradiction to the Rules and Regulations as stated in the report. Submission was also made that since the matter was causing concerns for the people, the government and the Anti- Corruption Commision should hold discussion and submit a report in the next session for clarification.

On this, the Ministers and Members of the ruling party submitted that there was no conflict of interest in the vehicle import policies. The licenses to import vehicles were given to three agencies by the government. Nevertheless, it was submitted that licenses would also be provided to other people willing to import electric vehicles. It was reported that the gifted vehicles were used for official works only and thus there was no conflict of interest and contradiction to the provisions of the Constitution.

The Good Governance Committee submitted the 8<sup>th</sup> Annual Report of the Anti-Corruption Commisssion to the House.

The House after an extensive deliberation for two days endorsed the report through the show of hands as follow:

1. As per the Section 8 of Article 26 of the Constitution, it would not be possible for the Anti-Corruption Commission to be given autonomy. However, as per Resolution No. 11.1 of the Second Session of the Second Parliament, it was resolved that Anti-Corruption Commission and Royal Civil Service Commission should continue to address the problem of human resource constraint in consultation with each other.
2. The government and ACC need to hold discussion and clarify whether or not the policies for import of electric vehicles (EV) caused conflict of interest and if it was not in accordance with the Constitution and rules.
3. The Human Right Committee in coordination with the Commission should assess the investigation procedures of the people detained for corruption cases and report in the 6<sup>th</sup> session.
4. The ACC must prioritize and soon resolve pending cases which could not be resolved due to human resource constraint.
5. The Ministry of Finance needs to comprehensively review the procurement system and make it viable since most of the corruption occurred in procurement.

Within nine years of its establishment since 2006, the Anti Corruption Commission had worked without fear and favoritism for the welfare of the people and the country in mitigating corruption. Therefore, the National Assembly expressed its appreciation to the Chairperson, Commissioners, officers and all the staff of the ACC. Further, the House commended the good Governance Committee for submitting the productive report which the House deliberated extensively. With this, the deliberations on the 8<sup>th</sup> annual report of the Anti Corruption Commission concluded.

*(26<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 12<sup>th</sup> June 2015.)*

**21. QUESTION HOUR (GROUP C) MINISTRY OF FINANCE, MINISTRY OF LABOUR, MINISTRY OF ECONOMIC AFFAIRS**

1. The Member from Wamrong constituency questioned the Minister for Finance on what were the measures taken by the Government to ease rupee shortage. He expressed that with the shortage of INR since 2012, Bhutanese shoppers were charged 6-8 % extra if they could not pay in INR. Ngultrum was not a legal tender in India and its nonacceptance by Indian shop keepers was a major concern.
2. As per the labour survey report 2013, female unemployment rate was higher (3.7%) compared to the males (2.2%). The Member from Dokar-Sharpa asked the

Minister for Labour & Human Resources what are the programmes and plans that the ministry has to solve this important issue.

3. Despite laying the foundation stone of the implementation of Kholong Chhu Hydropower Project almost a year back, the actual works on the project have not started yet. The Member from Boomdeling-Jamkhar constituency questioned the Minister for Economic Affairs to provide a definite confirmation as to when the actual works on the project will start.
4. Against the options provided by ACC, the Government has decided to re-tender the award of 2 packages of road construction of the highway from Dagana to Lhamoizingkha. In this regard, the Member from Nganglam constituency asked the Minister for Finance to brief the House on the amount of compensation to be paid to contractors who were earlier awarded the works and the additional time and cost overruns that will be incurred on the two packages on account of the delay in the construction.
5. The Member from Panbang constituency questioned the Minister for Labour & Human Resources on Government's strategies and plans to address the employment issues of the present contract teachers, community teachers and new batch of university graduates of 2015. He also questioned on the status of doing away with the Preliminary Examinations.

6. During the last constituency meeting in the Thimphu Thromde, some people complained that the cost of vehicles purchased from the agents in Bhutan were significantly high from the price in India. They were of the view that the Bhutanese agents were abusing their monopolistic status as purchase from outside is not permitted. The Member from South Thimphu constituency asked the Minister for Economic Affairs to clarify whether there were any rules regarding the sale price that agents may change.

*(26<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Femal Sheep Year corresponding to 12<sup>th</sup> June 2015)*

**22. Implementation status of the resolution of the Economic & Private Sector Development Committee**

During the 4<sup>th</sup> Session of the Second Parliament, the House directed the Economic & Private Sector Development Committee to review the Bhutan Electricity Act (BEA) 2001 since the Act and relevant laws were not in conformity and submit a report thereof to the Parliament. However, the Committee submitted that the Act needed further amendment and therefore it would be presented only in the 6<sup>th</sup> Session due to the lack of proper responsibilities and accountability in the Act. Moreover, submission was also made that the Act lacked clarity regarding the plans and policies to fulfill the demanded objectives of the concerned sectors.

During the deliberation, the House reached consensus that the Bhutan Electricity Act (BEA) 2001 needed amendment and changes. In addition the House also reminded that the

Land Act, Water Act and Environment Act should also be looked into while reviewing the Bhutan Electricity Act.

To that, the Minister for Economic Affairs stated that amending BEA 2001 and submitting during the 6<sup>th</sup> Session would create inconveniences to the Ministry. The Minister set forth for the consideration for presentation of report on implementation status along with the review report of the Bhutan Electricity Act during the 6<sup>th</sup> Session. The House following the acknowledgement of the submission made by the Minister directed the Ministry of Economic Affairs to review the Act and submit to the Parliament at an appropriate time.

**Need to develop the mechanism of providing the consultancy services to Druk Green Power Corporation (DGPC) in order to build and improve the internal capacity of the National Consultants without outsourcing and depending on external consultants.**

**Committee Recommendations:**

- a) Provision of funds by Druk Green and its Annual Budgets with expenditures being accounted under Work in Progress for capitalization as and when the projects are taken up for the development.
- b) RGoB to pass through grants that might be specially made available for the energy sector to DGPC
- c) RGoB to allocate some percentage of future revenue streams that have not been accounted in financial structuring of the projects

- d) Approve loans from the RGoB or the financial institution
- e) DGPC to work for the DPRs of projects like Kurigongri with GoI Agencies like WAPCOS engaged in real design and engineering works with clear terms of reference (TOR) in future hydropower projects.
- f) Allow DGPC to explore international markets where they can provide reconnaissance survey to the PFRs and then also do the consultancy services to hydropower sectors in Arunachal, Nepal, Africa and Myanmar.

The Economic and Private Sector Development Committee was directed by the House to ascertain the capacity of Druk Green Power Corporation (DGPC). As per the directives of the House, the Committee submitted that DGPC has the capacity for developing Pre-Feasibility Report (PFR), Feasibility Report (FR) and Detail Project Report (DPR). Therefore, the House not only endorsed DGPC as the national consultant but also affirmed DGPC of being capable to carry work in foreign countries in future.

Regarding the budget support, the House reached on the consensus that DGPC and MoEA could work together to this effect. The House thanked the committee for their tireless effort and thus concluded the deliberation.

*Note: The report of the Economic & Private Sector Development Committee is included in the booklet of committee reports.*

**23. Recommendations by the National Council on the Budget Report of the financial year 2015-16 and Supplementary Budget Appropriation Bill for the Financial Year 2014-15**

The National Assembly deliberated on the budget report on 8<sup>th</sup> and 9<sup>th</sup> June 2015 and transmitted the report to the National Council after endorsing it. The National Council deliberated on the report with amendments and recommendations which was re-deliberated by the National Assembly on 15<sup>th</sup> June 2015 as follow:

In the Supplementary Budget Appropriation Bill, the budget for the Cabinet was observed to be increase as the Government to Citizen (G2C) project was transferred from the Ministry of Information & Communications to the Cabinet. Similarly, the Annual Performance Agreement project was also transferred to the Cabinet from the Gross National Happiness Commission. On this, the Minister for Finance presented clarifications as follow:

**Firstly**, there was a deduction of Nu. 30.77 million when the Government to Citizen (G2C) project was transferred from the Ministry of Information & Communications to the Cabinet. The budget for the Ministry of Information & Communications stood only at Nu. 1,039 million and subsequently the budget for the Cabinet increased by 92%.



**Secondly**, a budget of Nu. 63.1 million was approved for the Gross National Happiness Commission which later rose to Nu.119 million after the incorporation of the budget for the Annual Performance Agreement Project indicating an increase of 89%. When the project was transferred to the Cabinet with Nu. 4 million, it was informed that the increase in the Gross National Happiness Commission's budget stood at 83%.

Deliberating on the duty vehicles for Drangpons in the Dzongkhags, it was submitted that budget should be allocated to procure new vehicles for them since the existing vehicles were old and tantamount to risk. Most of the Members expressed their support to provide duty vehicles Dungkhag Drangpons who were not entitled at present. It was submitted that appropriate duty vehicles could be purchased as per the availability of government budget.

The Minister for Finance informed that there was no budget kept in place to procure duty vehicles in the current budget. However, he assured that given the importance of the Judiciary, the government will arrange to deliver services pertaining to duty vehicles.

The House expressed that as per the provisions of section 2 of article 13 of the Constitution, amendments may not be made based on the recommendations made by the National

Council. However, it would be beneficial if the Ministry of Finance could consider the recommendations made and incorporate in the budget for the next financial year. It was also imperative for the Finance Committee to consider the recommendations made by the National Council and explore ways to implement it. Following extensive deliberations on the recommendations made by the National Council, the House expressed its appreciation for the recommendations. With this, the deliberation on the recommendations on the budget report concluded.

*(29<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 15<sup>th</sup> June 2015)*

*Note: The recommendation by the National Council on the budget report of the financial year 2015-16 is included in the report of the Finance Committee.*

**24. Rectification and Endorsement of the draft Resolution**

Upon the directive of the Speaker, a Senior Research Officer from the secretariat read out the draft resolution on 28<sup>th</sup> of May and on the 5<sup>th</sup> and 15<sup>th</sup> of June 2015 to the House. During this, except for rectification some words sequence of sections, no major changes were proposed. Therefore, the House endorsed the draft resolution as the resolution of the 5<sup>th</sup> Session of the 2<sup>nd</sup> Parliament.

**25. Royal Kasho on the presentation of the Annual Report of the Government**

As per the provisions of Section 10 of Article 10 of the Constitution of the Kingdom of Bhutan, the Prime Minister

shall present the legislative plans and the annual plans and priorities of the Government to the Druk Gyalpo and the joint sitting of Parliament. Royal assent is hereby granted for the presentation of the Annual State of the Nation's Report by the Prime Minister on 16<sup>th</sup> of June 2015 during the 5<sup>th</sup> Session of the Second Parliament.

Granted on the 23<sup>rd</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year.

**Druk Gyalpo**

The Secretary General upon the directives of the Speaker read out the Royal Kasho granted by His Majesty the Druk Gyalpo. Following this, the Prime Minister presented the Annual Report of the Government.

### **25.1 The Annual Report of the Government**

As per the provisions of Section 10 of Article 10 of the Constitution of the Kingdom of Bhutan, the Prime Minister presented the report on the State of the Nation.

#### **His Majesty the Druk Gyalpo**

It was reported that Bhutan was a small country but it had an asset bigger than other countries and that was the Druk Gyalpo. Everyone was cognizant of the fact that His Majesty the Druk Gyalpo has worked tirelessly for the benefit of the people and the country and travelled the length and breadth of the country to address people's problems.

His Majesty has granted close to 124,000 acres of land to more than 130,000 households for the benefit of the people. The work towards granting second round of land *Kidu* has also been initiated. His Majesty had granted scholarships to 3,000 students who were identified as Gyalpoi Tozeys with around 200 students pursuing tertiary level education.

Similarly, His Majesty currently grants monthly stipends to 850 senior and disadvantaged citizens. His Majesty has initiated mobile *kidu* medical unit under which 8,500 people have been treated so far.

The Prime Minister reported that His Majesty has granted citizenship *Kidu* to 8, 600 people and His Majesty has always visited the people in times of natural disasters and granted relief, refuge and comfort to the affected people. His Majesty has introduced Executive Leadership and Dessung programmes and further introduction of Scout and Winter Camp programmes have greatly benefited the youth.

His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen traveled to Singapore to attend the funeral of the former Prime Minister Mr. Lee Kuan Yew. The entire nation was in mourning and the people of Singapore were grateful for His Majesty and Gyaltsuen's personal condolences.

When Nepal was struck by a devastating earthquake, His Majesty commanded a *semso* of Nu.63 million to Nepal. The Prime Minister was also commanded to visit Nepal and offer condolences. The 78 member medical relief team deployed in Nepal treated 1,986 victims during 22 days of its deployment drawing appreciations from the people and government of Nepal. To this, the government expressed its gratitude to His Majesty and the members of the relief team.

The Royal command for deployment of members of the Bhutanese armed forces in United Nations' Peace Keeping Missions was an indication of beginning of Bhutan's contribution to the UN. It was reported that so far, 14 officers of the armed forces were serving in six countries under the peace keeping missions and additional 30 officers and 12 non-commissioned officers were also to be deployed. The Government expressed its deepest gratitude to His Majesty for the initiative.

The Prime Minister reported that Her Majesty the Gyaltsuen also traveled the length and breadth of the country in the service of His Majesty, addressing the problems of the people. He expressed his gratitude for the introducing of Queen's Project which would greatly benefit needy people. Gratitude was also expressed to HRH DASHO Jigme Dorji Wangchuck for his noble works representing His Majesty in eastern Bhutan.

## **Country**

The over arching goal of the 11<sup>th</sup> Five Year Plan was to achieve self reliance and inclusive green socio-economic development. Towards this end, a total of Nu. 213 billion was allocated for the plan, out of which Nu. 140 billion was met from internal resources and Nu. 58 million was met from the donor support. An amount of Nu. 25 billion was given by the Government of India with additional Nu. 5 billion of Economic Stimulus plan taking the total amount to Nu. 50 billion. The remaining Nu. 13 billion for the 11<sup>th</sup> plan was committed by other countries. The Prime Minister expressed his gratitude to all the countries who offered their support and grants.

## **Security**

It was reported that a total of 1,014 km of Bhutan's international boundary was being secured by the armed forces and in particular by the Royal Bhutan Army. The Royal Bhutan Police have strongly maintained the order in the country because of which crime rates have fallen. Gratitude was also expressed to the armed forces for their cooperation and service in times of natural disasters and in construction activities of new Dzongs.

## **Foreign Relations**

Bhutan has excellent relations with foreign countries in particular with India. Their Majesties the Druk Gyalpo and the Gyaltsuen visited religious sites in India. Similarly, the President and the Prime Minister of India visited Bhutan. It

was reported that these visits have further strengthened the relations between Bhutan and India.

The Prime Minister visited India in January 2015 to attend the 7<sup>th</sup> Vibrant Gujarat Summit in Ahmedabad. During the visit, the Prime Minister got opportunities to meet leaders from the region. Furthermore, the international relations of Bhutan have been benefited by the official visits of the Prime Minister to Japan, Bangladesh, Sri Lanka and Europe.

In September 2014, the Prime Minister met with the Presidents of the World Bank and Asian Development Bank and also met with the UN Secretary General. The Prime Minister attended the SAARC Summit in Nepal in November 2014 which had helped further strengthen Bhutan's bilateral relations with other countries in the region. It was reported that because of the strengthened relations in the region, agreement has been signed between Bangladesh, Bhutan, India and Nepal on road transportation.

Similarly, on behalf of the Government of Bhutan, thanks were expressed to the countries which have resettled 96,237 people living in the camps in Nepal.

Owing to the good relation with China, the 22<sup>nd</sup> round of border talks were held. It was informed that the 23<sup>rd</sup> round of border talks will be held this year in Bhutan and a joint committee comprising of members from both the countries

was formed in order to finalize the unresolved boundaries. The joint technical field survey of the disputed area in Bayul and Pasamlung had been carried out. The joint technical field survey of the disputed areas in the western sector was underway. It was reported that the Prime Minister himself visited the borders with China for fruitful outcomes of the border talks.

### **Gross National Happiness**

The Gross National Happiness (GNH) which emanated from the heart of His Majesty the Fourth Druk Gyalpo has been wide spread in other countries of the world. Therefore, in commemoration of the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo, an international conference on GNH will be organized by Center for Bhutan Studies this year. The Prime Minister presented the Annual Report of the country as follow:

### **The First Pillar of GNH**

#### **Sustainable & Equitable Socio- Economic Development**

It was reported that the Bhutanese people should mainly take pride in the fact that healthcare and education in the country was free of cost. Although it was reported that 50 countries in the world had free health care, it did not include complete package of health care as in the case of Bhutan.



## **Health**

Prime Minister reported that the Jigme Dorji Wangchuck National Referral Hospital was made into an autonomous institution. The 150-bedded hospital which was being constructed for women and children will be named as Jetsun Pema Maternal and Children Hospital. Under the patronage of Her Majesty the Queen Mother Ashi Tshering Pem Wangchuck, a drug rehabilitation center was being constructed. Further, it was reported that Nu. 210 million was kept in place for rural drinking water scheme.

## **Education**

There were 551 schools in the country and 107 extended classrooms with a total of 1, 72,303 students and 8,572 teachers. The best means to improve the quality of education was to reform schools. Therefore, number of autonomous schools would be increased from the existing 45 autonomous schools. A budget of Nu. 4.3 billion was kept in place for necessary amenities of the central schools.

The Prime Minister informed that in order to prevent neuropathy among school students, the government had distributed Vitamin B Complex to all the schools. The Ministry of Education was coordinating with the Food Cooperation of Bhutan in order to improve the quality of food for the students. The Ministry of Agriculture was also

going to provide pullets in some schools on pilot basis to ensure that every child gets three eggs a week.

As a tribute to His Majesty the Fourth Druk Gyalpo on his 60<sup>th</sup> Birth Anniversary, the year 2015 was declared as the National Reading Year. The Jigme Dorji National Library will be relocated to a bigger building and the E-library donated by India during the visit of Prime Minister of India will be introduced in all the schools. Additionally, the government was spending Nu. 255million for capital works with Sherubtse college alone receiving Nu.85 million. It was reported that provisions for student loans was also initiated to help needed students to pursue higher education.

### **Poverty**

The various kidu granted by His Majesty to improve the livelihoods of humble people have been of great benefits. Under the Rural Economy Advancement Programme(REAP) 75 villages have been identified to receive support and for which Nu. 150 million has been approved. The Prime Minister also expressed his gratitude to Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck, the Royal patronage of Tarayana Foundation which has immensely helped in the alleviation of poverty.

### **Economic Growth**

The economic condition has been improved as one of the main national goals was to achieve economic self reliance.

It was reported that earlier the non -hydro debt was Nu. 40.972 million which was reduced to Nu.36.734 billion in the previous year. In addition, the issue of rupee shortage has also been improved and the Foreign Reserve of the country stood at USD 834.3 million and Rs. 10.76 billion.

Then inflation has dropped to 6.3% and the total trade increase to Nu. 92 billion in 2014. The main problems in the economy were the trade deficit and unemployment. The trade deficit stood at 20% of the GDP while youth unemployment rate stood at 9.4%. However, it was reported that in order to generate revenue and employment opportunities for balanced development, five jewels of economy were identified.

#### **Jewel 1- Hydropower**

The total hydropower generation capacity was 30,000 MW out of which 23,760MW was economically feasible. In 2014, hydropower was 14.3% of GDP and hydropower projects with the capacity of generating 3,658MW were underway. Although works related to hydropower projects until now were implemented by foreigners, henceforth, the Bhutanese people would be able to start and complete such works. It was reported that in future Bhutan could become a center for hydropower knowledge and skills.

#### **Jewel 2-Agriculture**

A total of 62% of the Bhutanese population depends on agriculture and thus motor roads were an important

requirement. The government has started construction of roads to 52 Gewog Centers and 176 greenhouses were installed in 20 Dzongkhags last year. A total of 477km of electric fencing has been built which has benefited 3,477 households in undertaking agricultural works. In the coming year, the government will build 486km of additional electric fencing and support 64 more green houses.

It was reported that the government has already expanded 17 livestock centers and Nu. 817 million will be further invested to upgrade these livestock centers. It was clarified that this amount was not kept for setting up slaughter houses. Plan was in place to open Gewog Banks by 2016. Furthermore, the Businesses Opportunity & Information Center had so far approved 1,211 projects amounting to Nu. 338 million and farms shops will also be introduced in every Gewog.

### **Jewel 3-Tourism**

In 2014, Bhutan received a total of 133,480 tourists which had developed the private sector and created job opportunities. It was reported that revenue amounting to Nu. 1.35 billion was also generated from tourism. Further, revenue of Nu.150 million as generated from the Thai tourists under the Bhutan-Thailand Friendship Offer. The Prime Minister reported that in commemoration of the 60<sup>th</sup> Birth Anniversary of His Majesty the Druk Gyalpo, two helicopters would be procured in November this year. In

addition, it was informed that a programme to promote domestic tourism would be formulated.

#### **Jewel 4- Small and Medium Enterprises**

Small enterprises forms 4.4% of the GDP and their growth has been significant with 2645 new enterprises being established in 2014. The Business Opportunity & Information Center has provided a sum of Nu. 218 million for 100 small enterprises. To promote small enterprises, the government has granted tax exemptions for micro and small businesses in the rural areas under which 102, 54 enterprises were benefited. The Prime Minister also reported that programme was in place to initiate business incubation center for the benefit of enterprises.

#### **Jewel 5- Mining**

It was reported that there were currently 29 active mines, 36 quarries in the country covering 3, 471 acres. The mining sector contributes 2.8% of GDP to the economy and contributed 282.4 million in license fee and royalty in 2014. The government has reviewed the mineral development policy which will benefit the implementation of mining activities, natural environment and the society. The government has also established a State Mining Corporation and the profits from this corporation will be invested for school reform programmes.

## **Roads**

Roads are imperative in order to execute the abovementioned Jewels. It was reported that there were 2478km of national highways, 1387km of Dzongkhag highways and 5129kms of Gewog and farm roads. East-West highway widening works were underway and similarly road constructions were underway for Lhamoizingkha, Panbang, Nganglam, Samdrupcholing and Samrang. It was reported that road constructions have also been started in 52 Gewog centers.

## **Connectivity**

The government continues to connect few remaining villages with internet and telecommunication services although these services are available in all 205 Gewogs. The high city road map initiated by the Ministry of Information & Communications will benefit in delivering internet services. It was reported that the government was exploring new air routes by holding discussions with airlines of two countries. The number of passengers flying through Paro last year was 296,422 which was an increase of 38%. The Prime Minister also reported that widening works for domestic airports was underway.

## **Private Sector Development & Industries**

There was a total land of 188 acres available in Pasakha for industrial estates. In addition, the government has identified 640 acres of land for industrial estates in four places.

There was no problem in the country pertaining to Finance and an agreement was signed with European Investment Bank which will benefit the Bhutanese business community to have access to finance.

The Foreign Direct Investment Policy has been revised. It was reported that 16 projects worth Nu. 5. 13 billion has been approved. Further, the economic development policy has also been revised and emphasis was put in to increase exports and reduce imports.

The private sector was one of the important sectors in the country which contributed 43.59 of the GDP. The raise of salary for the civil servants last year amounted to over Nu. 2 billion which has benefited the businesses in the private sector. In the 11<sup>th</sup> plan, Nu. 33 billion has been kept in place for construction of roads and bridges, Nu. 4 billion for construction of schools and Nu. 1.329 billion for hospitals. It was reported that these were all opportunities for the private sector which was important for the private sector to avail.

## **Second Pillar**

### **Preservation & Promotion of Culture**

On behalf of the Government, gratitude was expressed to Zhung Dratsang and other religious bodies led by His Holiness the Je Khenpo for conducting religious event called '*sip-chi-doe-kurim*' for the long life of His Majesty

the Fourth Druk Gyalpo. The government also expressed its gratitude to Hindu religious bodies for organizing religious events.

Most of the Dzongs and Lhakhangs in the country were undergoing renovation. A total of 8,064 chortens were in the country, out of which 4,226 chortens were in need of repair. These chortens were being restored in commemoration of the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo. It was reported that as per the command of His Majesty, a Hindu temple was being build in Samtse.

Relating to culture, the Royal Academy of Performing Arts was greatly promoting it both within and outside the country. Upoin the command of His Majesty the Druk Gyalpo, the Royal Academy of Performing Arts has been upgraded to an institute which will now offer courses in various traditional performing arts. The Royal Textile Academy was also being enhanced entailing great benefits to the livelihood of women. Appreciation was also expressed to the film industry for producing various movies promoting the culture and the national language of the country.

### **Third Pillar**

#### **Conservation of the Environment**

It was reported that 72% of Bhutan's land was under forest coverage with 52% of the land identified as national parks. Bhutan stood as an example when it comes to the



conservation of natural environment and it was informed that preparations were underway for Bhutan to participate in an international conference on climate change. In commemoration of the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo, Royal Flower Exhibition was organized at Ugyen Pelri Place in Paro under the patronage of Her Majesty the Queen Mother Ashi Tshering Yangdon Wangchuck. Similarly, world record was set by 100 volunteers by planting 49,672 saplings within one hour. This event was organized under the initiative 'PICSA' of Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck. For this, the Prime Minister expressed his gratitude to Their Majesties the Queen Mothers and all the participants.

#### **Fourth Pillar**

##### **Good Governance**

In order to improve leadership qualities, the Royal Civil Service Commission was conducting organizational development exercise. This exercise would result in benefits and the government has also acknowledged it. The government has signed Annual Performance Agreement with all government ministries, departments and Dzongkhags in the year 2014-15 with commendable outcomes. It was informed that Annual Performance Agreement will be signed in the year 2015-16 as well.

### **Judiciary**

It was imperative to have comprehensive legal services in place to deliver justice to the people. Toward this, the Supreme Court has been well established. In addition, three more courts were under construction and an institute of law was also under construction at Pangbisa in Paro under the patronage of Her Royal Highness Ashi Sonam Dechan Wangchuck. The Parliament has amended the Office of the Attorney General Act and the Jabmi Act with the aim to strengthen the judiciary. It was reported that the government continues to work with the Anti Corruption Commission in mitigating corruption.

### **Legislature**

Upon the command of His Majesty the Druk Gyalpo, the government has formed a Task Force to harmonize and check for any conflict in the existing laws. It was informed that since the 2<sup>nd</sup> Session, formulation of new laws were restrained. The Prime Minister also reported that 14 of the 126 Acts conflict the Constitution and other Acts and requires consolidation and harmonization while two Acts were found redundant and should be repealed. The Cabinet will review the Acts which needs to be amended or repealed and tabled in the future sessions of Parliament. The Sales Tax, customs and Excise Act will be tabled in the next session of Parliament.

### **Civil Society Organizations**

There were currently 47 Civil Society Organizations (CSOs) in the country which were undertaking works benefiting<sup>1</sup> the people. However, it was imperative for the government to conduct explicit assessment before registering new CSOs.

### **Media**

In Bhutan, the status of media was good with 10 newspapers, five radio stations and one television station. The government has always ensured not to interfere in the works of media and affirmed that it was imperative to support media houses as the major challenge faced by them was financial constraint.

### **People**

Since the exact population and number of households in the country was not known, detailed information was not available on the status of livelihood and poverty. Thus, it was informed that population and housing census will be conducted from 2016.

### **Youth**

The total number of youth in the country stood at 145,611 and the major problem faced by the youth was unemployment. The national unemployment rate was brought down to 2.6% in 2014 from 2.9% in 2013 as the government has initiated various measures through

employment opportunities and training. Besides, opportunities for overseas employment was being generated and reported that government was also rendering support through Guaranteed Employment Scheme.

### **Women**

The Royal Civil Service Commission was currently reviewing the maternity leave for women. As a pilot project, the government has introduced childcare centers in ministries which have resulted in positive outcomes. It was informed that the government was considering the possibilities to continue introducing such childcare centers.

### **Sports**

The Prime Minister reported that under the Presidency of HRH Prince DASHO JIGYEL UGYEN WANGCHUCK, the Bhutan Olympic Committee has improved the status of sports in the country. This year, Bhutan's FIFA ranking shot up because of Bhutan's win over Sri Lanka in World Cup Qualifying match which was a reason for the Bhutanese people to be proud of. Furthermore, it was reported that the government has kept aside a budget of Nu.96 million for sports.

### **Conclusion**

On behalf of the Parliament and the government, the Prime Minister expressed his gratitude to the Speaker Jigme

Zangpo for strengthening the legislature and relations with international Parliaments. Similarly, he also expressed his gratitude to former Chief Justice, Lyonpo Sonam Tobgye for his 43 years of service during which he strengthened the judiciary.

The report on the state of the nation was able to be presented in the joint sitting mainly because of the noble guidance and counsel of His Majesty the Druk Gyalpo. For this, the Prime Minister expressed his gratitude to His Majesty the Druk Gyalpo.

On behalf of the people of Bhutan, the Prime Minister offered respects and *tashi delek* on the occasion of the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo. He also pledged that the government will emphasize to fulfill the vision of His Majesty and country's development objectives. The report concluded with offering of prayers by the Prime Minister for continued peace and happiness in the country with the blessings of spiritual deities and under the dynamic leadership of His Majesty the Druk Gyalpo.

Following the presentation of the report by the Prime Minister, the House expressed that the report on the country was able to be presented to the Parliament mainly because of the attributes His Majesty the Druk Gyalpo and His Majesty the Fourth Druk Gyalpo. The House expressed that it was imperative to express gratitude to Their Majesties

and appreciated the Prime Minister for presenting the report in detail.

The government had formulated various plans and it was hoped that the civil servants and the local government leaders would work hard towards fruitful outcomes for the benefit of the country and the people. With this, the agenda on the report of the state of the nation concluded.

*(30<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 16<sup>th</sup> June 2015)*

## **26. CONCLUDING CEREMONY**

### **26.1 Motion of Thanks**

The Minister for Labor and Human Resource on behalf of the ruling party, the National Council Member from Bumthang Dzongkhag and the Member from Drametse Ngatshang Constituency representing the opposition moved the motion of thanks. They expressed that His Majesty the King and Her Majesty the Gyaltsuen visited the remote areas of Haa Dzongkhag, *Merak* and *Sakteng* of Tashigang Dzongkhag for the welfare of the needy people. It was submitted that the people were deeply happy for receiving royal audience and *kidu*. For this, on behalf of the Parliament, gratitude was expressed to His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen.

Moreover, the Parliament expressed its gratitude to His Majesty for improving the livelihood of people by granting

citizenship to many people and also providing free health care services. Further, gratitude was expressed to His Majesty for adopting children of humble parents as *Gyelpoi Tozey* and granting care to the old age people and disabled persons in the country.

The beneficiary people were immensely grateful to His Majesty for granting timely support and *kidu* during the disasters caused by fire and hailstorm in southern Dzongkhags. When Nepal was stuck by an earthquake, His Majesty out of great compassion granted relief support both in terms of fund and labour. The grant of USD once million has not only benefited the victims but also strengthened relations between the two countries. The Parliament expressed its gratitude to His Majesty for such exemplary and noble initiative.

Furthermore, to pay tribute to His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuk on 60<sup>th</sup> birth anniversary under the patronage of Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck, 11 programs by the group PICSA were initiated of which 5 were implemented successfully. The plantation of 49,672 saplings within one hour at Kuensel Phodrang in Thimphu entered in to the Guinness Book of World Record. Gratitude was expressed to His Majesty the Druk Gyalpo and Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck for

initiating various programmes because of which people could witness the sights of His Majesty the Fourth Druk Gyalpo in media.

Lastly, with the blessings of the Tripple Gem and protective deities, prayers were offered for the long life of Their Majesties, Members of the Royal Family, His Holiness the Je Khenpo and continued peace and prosperity for the Bhutanese people.

#### **26.2. Speakers speech**

On behalf of the Parliament and on his own behalf, the Speaker welcomed and expressed his deepest gratitude to His Majesty the Druk Gyalpo for gracing the concluding ceremony.

He also welcomed Members of the Royal Family, senior government officials, representatives of the international community and all other guests who had come to witness the occasion.

The Speaker informed that a total of five Bills have been passed in the Joint Sitting during the Fifth Session of the 2<sup>nd</sup> Parliament. He reported that as per the provisions of the Constitution, these Bills have been submitted to His Majesty the Druk Gyalpo for the Royal assent. It was also shared that in that session, the National Assembly deliberated on three Bills and three international



conventions which have been transmitted to the National Council as per the procedure.

It was informed that in order to execute balanced socio-economic development, the Joint Sitting after deliberating for three days endorsed boundaries and areas to 15 Dzongkhag Thromdes and 18 Yenlag Thromdes excluding Pema Gatsel Dzongkhag.

The Speaker reported that a total amount of Nu.50,713.707 million has been passed towards the national budget for the Financial Year 2015-16. He further added that from the total budget, current budget amounted to Nu.23, 871.321 million and the capital budget amounted to the tune of Nu. 26,842.386 million. It was also informed that the budget for the next financial year had an increase of 24% from the current financial year and also the biggest as compared to previous three years. He shared the aspiration that the budget passed would greatly benefit the people and the country. Similarly, he reported that the Supplementary Budget of Nu. 44,160.537 million was endorsed for the financial year 2014-15 for which the initial budget was approved at the tune of Nu. 40,355.837 million.

On behalf of the Parliament, the Speaker expressed gratitude to the Government of India for rendering generous grant support and timely release of the grant towards the socio economic development of Bhutan in the 11<sup>th</sup> Five Year Plan.

The Speaker offered the words of appreciation for the amount of Nu. 115.628 million which had been recovered from the pending audit irregularities in the year 2014. On behalf of the Parliament, he extended admiration to the Royal Audit Authority for its efforts in bringing out comprehensive reports on the Performance Audit and Debt Management. Words of appreciation were also presented to the Anti-Corruption Commission for presenting comprehensive report related to corruption and for being a model institution in preventing corruption.

On behalf of the House, the Speaker extended appreciation to the Election Commission of Bhutan for conducting two successful elections for National Assembly and National Council in 2008 and 2013. He also expressed gratitude for successfully conducting the first ever Local Government Election in 2012. Moreover, the House offered admiration for signing Constitution of Bhutan Children's Parliament to educate the students on democracy.

During the Prime Minister's presentation on an Annual Report, he reported that owing to the hard work and dedication of our successive monarchs and forefathers, today the country's economic development, and better democratic transition have been further strengthened. In addition, the outcome ensued from the services rendered by the three branches of the Government were also reported.

In the same manner, it was reported that responsibility and accountability has been entrusted to the people and the government in order to jointly work together with emphasis for the security, good governance and developmental activities of the country. To that, on behalf of the Members of Parliament and on his own behalf, the Speaker expressed gratitude and appreciation.

On behalf of the House, the Speaker expressed gratitude to Their Majesties for visiting various Dzongkhags and granting kidu to the people. Similarly, in order to pay tribute on the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo, Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck initiated plantation programme with planting of 49,672 saplings on 2<sup>nd</sup> June which had entered the historic Guinness Book of World Records. The Parliament of Bhutan therefore expressed gratitude to Her Majesty and to the participants.

On behalf of the House, the Speaker extended immense gratitude to His Royal Highness Jigyal Ugyen Wangchuck for granting equal opportunity to the youths to participate in World Cup qualifying match with developed countries.

The 5<sup>th</sup> Session concluded successfully mainly with the blessings of Triple Gem, noble guidance of His Majesty the Druk Gyalpo, prayers of various religious institutions under the leadership of His Holiness the Je Khenpo, collective merit of the Bhutanese people and the support and

cooperation rendered by the Members of Parliament. The Speaker expressed his gratitude for that.

In conclusion, on behalf of the Members of Parliament, he offered his prayers for the good health and long life of His Majesty the Druk Gyalpo and the Members of the Royal Family.



17<sup>th</sup> June, 2015

(Jigme Zangpo)  
**SPEAKER**

## **RESOLUTION**

### **1. Royal Kasho on disputed Bills**

As per Article 13 (8) of the Constitution of the Kingdom of Bhutan, Royal Command is hereby granted for deliberating and voting in a Joint Sitting on disagreement clauses between National Assembly and National Council on the Local Government Entitlement Bill of Bhutan 2014, Bio-safety Bill of Bhutan 2014, Tenancy Bill of Bhutan 2014, Narcotic Bill of Bhutan and the Office of Attorney General Bill of Bhutan 2014

Granted on the 8th Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year

**Druk Gyalpo**

After reading out the Royal Kasho in the Joint Sitting by the Officiating Secretary General, deliberation on Narcotic Bill of Bhutan 2015 began.

#### **1.1 Narcotic Drugs, Psychotropic Substances and Substance Abuse Bill of Bhutan 2015**

The National Assembly and National Council could not agree on 15 clauses on the Narcotic Bill of Bhutan. Therefore as per Article 13 section 8 of the Constitution of Bhutan, it was submitted to the Druk Gyalpo for Royal command. The Druk Gyalpo commanded the Bill to be deliberated and voted on in a Joint Sitting. Thereafter, as per the Legislative Procedure 2011, a joint committee

comprising of 7 members from national Assembly and 5 members from the National Council was formed to review the disputed clauses of the Bill.

The Chairperson of the Joint Committee Hon Member of Bardo-Tong presented the Joint Committee recommendations to the House on May 11, 2015.

After extensive deliberation, out of 69 members present, 66 voted YES and 3 ABSTAINED and thereafter the House adopted the Bill at 10.45am.

*(23<sup>rd</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to 11<sup>th</sup> May 2015)*

## **1.2 Local Government Members Entitlement Bill of Bhutan 2014**

National Assembly and National Council could not concur on 5 clauses of the Bill. Therefore, as per the legislative rules of procedure 2011, the Joint Committee reviewed the disputed clauses and reported the recommendations to the House. Out of 67 members present, 66 Members voted YES and 1 voted NO and adopted the Bill at 10.50am.

*(24<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to 12<sup>th</sup> May 2015)*

## **1.3 Bio-safety Bill of Bhutan 2014**

The National Assembly and National Council could not agree on 2 clauses on the Bio-safety Bill of Bhutan 2014. Therefore, as per the legislative rules of procedure 2011, the Joint committee reviewed the disputed clauses and

reported the recommendations to the House. Out of 67 members present, 66 Members voted YES and 1 voted NO and thus adopted the Bio-safety Bill of Bhutan 2014 on 11.08 am.

*(24<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to 12<sup>th</sup> May 2015)*

#### **1.4 Office of Attorney General Bill of Bhutan 2014**

The National Assembly and National Council could not agree on 9 clauses. As per the Legislative Rules of Procedure 2011, the Joint Sitting deliberated on the recommendation submitted by the Joint Committee.

After extensive deliberation, out of 50 members present, 47 voted YES and 3 ABSTAINED and thus adopted the Bill at 11.15 am

*(25<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to 13<sup>th</sup> May 2015)*

#### **1.5 Tenancy Bill of Bhutan 2015**

National Assembly and National Council could not agree on 10 clauses of the Bill. As per the legislative rules of procedure 2011, the Joint Sitting deliberated on the recommendation submitted by the Joint Committee. After extensive deliberation, Out of 66 members present, 60 voted YES, 2 voted NO and 4 ABSTAINED and thus adopted the Bill at 12.30 am.

Thereafter, the Hon Member of the National Council of Paro in his dissenting opinion submitted that the reason for

not supporting the Bill was due to the clauses which states that if the Lessee fails to pay the monthly rent, the due amount shall be paid with interest at the rate of 24% per annum on the monthly lease rent and the owner or lessor who evicts the tenant or lessee shall be liable for a fine equivalent to one month's rent.

*(26<sup>th</sup> Day of the 3<sup>rd</sup> Month of the Wood Female Sheep Year corresponding to 14<sup>th</sup> May 2015)*

## **2. FIRST READING OF ENTERPRISE**

### **REGISTRATION BILL OF BHUTAN 2015**

The Member In-Charge of the Bill, the Minister for Economic Affairs moved the motion to introduce the Enterprise Registration Bill of Bhutan 2015 for First Reading and adoption for discussion on 2nd Day of the 4th Month of the Wood Female Sheep Year corresponding to 20th May 2015. The House adopted the Bill for discussion through show of hands.

## **2.1 SECOND READING OF ENTERPRISE REGISTRATION BILL OF BHUTAN 2015**

During the Second Reading, the Member In-Charge of the Enterprise Registration Bill of Bhutan 2015 submitted that it was imperative to strengthen the economy for the development of the country and thus it was also imperative to strengthen business community, private sector, companies and enterprises. It was submitted that there would be job opportunities and capacity to pay taxes to the



government if the ease of doing business in the country was improved.

It was also submitted that business firms and entities had to be improved in order to enhance enterprises. Furthermore, it was imperative to provide legal support to the business people and provide guidance in future by strengthening the legal provisions.

Besides, it was expressed that out of 40,000 trade licenses issued, 98 percent were not covered by the Companies Act of Bhutan 2000. It was therefore submitted that the Act was aimed at addressing this issue and strengthening the system of enterprise registration in the country. The Act would provide legal status to business entities and will allow them to enter into agreements among themselves. It would also benefit the enterprises to have adequate workers and provision them with the power to sue and obligation to be sued.

Besides, it was submitted that once the Bill is enacted, it would provide legal status to the joint enterprises in the country which was not the case in the past. The system pertaining to responsibility, accountability and services of the enterprises were also clearly provisioned in the Bill which would help address the business related issues in the future. Therefore, the House was requested to support the Bill.

Subsequently, some Members expressed their hopes for prompt delivery of business services to people after the enactment of the Bill which will address the business related issues in the future. Furthermore, Members also enquired if the principles and objectives of the Bill are simply for registration of enterprises.

To which the Member in-charge of the Bill submitted that the objective of the Bill is to register the enterprises as per the universal norms. Similarly, he explained about the multi benefits of enterprise registration and also the benefit it has on amendment of plans and policies related to businesses.

Accordingly the deliberation on the Bill concluded after the House referred the Bill to the Economic & Private Sector Development Committee for review and to present its recommendation during the third reading on the Bill on 29/5/2015.

*(2<sup>nd</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 20th May 2015)*

## **2.2 ADOPTION OF ENTERPRISE REGISTRATION BILL OF BHUTAN 2014**

The Economic Affairs Minister moved the motion to pass the enterprise Registration Bill of Bhutan 2015 on the 14<sup>th</sup> Day of the 4<sup>th</sup> Wood Female Year corresponding to June 1, 2015. From a total of 41 Members, 39 voted YES and 2 voted NO and adopted the Bill as 10.20 am.

In their dissenting opinion, Hon Members of Panbang and Nubi-Tangsibji said the reason for not supporting the Bill was because although the main purpose of enacting this Bill was to provide prompt services within a short time, however, the main purpose of the Bill was defeated during the deliberation of Bill.

*(14<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 1<sup>st</sup> June 2015)*

### **3. ADOPTION OF JABMI AMENDMENT BILL OF BHUTAN 2014**

On the 10th Day of the 4th Month of Wood Female Sheep Year corresponding to 28<sup>th</sup> May 2015, the Chairperson of the Legislative Committee of National Assembly moved the motion to pass Jabmi (Amendment) Bill of Bhutan 2015. From a total of 37 Members, 36 voted YES while 1 voted NO and adopted the Bill at 10:05 AM.

In his dissenting opinion, the Hon Member from Tashichhoeling constituency submitted that he could not support the Bill because the experienced Jabmis who had been practicing before the court for many years will not qualify to practice henceforth because of the clause stating that every lawyers willing to be a Jabmi should undergo the National Legal Course. Moreover, he doubts about fulfillment of the fundamental right of Bhutanese people to consult and be represented by a Bhutanese Jabmi of his or her choice.

*(10<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 28<sup>th</sup> May 2015)*

**4. The Rules of Procedure of the Public Accounts Committee 2015**

The Joint Sitting of Parliament extensively deliberated on the Rules of Procedure of the Public Accounts Committee 2015 on the 27th and 30th Day of the 3rd Month of the Wood Female Sheep Year corresponding to 15th and 18th May, 2015. With the support from majority of the Members, essential amendments were made on each and every section. Following this, out of a total of 62 Members present, 56 Members voted 'YES', three Members voted 'NO' and three Members abstained from voting. Consequently, the Rules of Procedure of the Public Accounts Committee 2015 was passed with the majority support.

*(27th and 30th Day of the 3rd Month of the Wood Female Sheep Year corresponding to 15th and 18th May, 2015.)*

**5. RATIFICATION OF CONVENTIONS**

**5.1 UNITED NATIONS CONVENTION AGAINST CORRUPTION**

The Home and Cultural Affairs Minister introduced and moved the motion to ratify UN Convention against Corruption (UNCAC) to the House and informed that globally corruption being a major threat, the convention was adopted in 2003 during its UN General Assembly to address its threat. He also informed that the convention was enforced on 14<sup>th</sup> December 2005 and it was signed on 15th September 2005 during its 60<sup>th</sup> UN General Assembly.

Further, he stated that although the convention was signed it needs to be ratified by Parliament. A committee was formed by the Foreign Ministry to study on the existence of its legal principles and to study on the ability in shouldering its responsibility. The convention is important to minimize the corruption practices through prevention of corruption, criminalization and law enforcement measures, international cooperation and exchange of technical assistance and information on corruption. Moreover, it is important in terms of extradition and to have proper roles and accountability in addressing corruption issues.

The House deliberated that upon the Royal assent on the convention, the procedure for its inclusion in UN Assembly needs to be developed. Further they also discussed on importance of Bhutan's participation in International Conventions. Accordingly, UN Convention against Corruption (UNCAC) was ratified by all 37 Members voting "YES".

*(27<sup>th</sup> May 2015 corresponding to the 9<sup>th</sup> day of the fourth month of Wood Female Sheep Year)*

## **5.2 EUROPEAN INVESTMENT BANK (EIB) FRAMEWORK AGREEMENT**

The Finance Minister introduced moved the motion to ratify the Framework Agreement between the Kingdom of Bhutan and European Investment Bank Governing EIB activities in the Kingdom of Bhutan 2014 for endorsement on the 9th Day of the 4th Month of the Wood Female Sheep Year corresponding to 27th May, 2015.

He submitted that, European Investment Bank (EIB) was established by the European Union in 1959 and provided the opportunity to establish about 150 Bank Projects in SAARC countries which includes Private Sector Development, Financial Institutions, Basic Infrastructure Development, Hydropower Supply Risks and the opportunity in maintaining Environmental Conditions.

Out of 150 projects, special opportunities were given to 28 countries and out of three categories, the opportunity was expressed towards Climate Change, Private Sector Development and Small & Medium Businesses.

He further submitted that, the framework agreement shall be endorsed from the Parliament. Further reported that, despite any special programs framed, the agreement was signed with the immense benefit and opportunities as it comprise of all the significant provisions.

The Members expressed their supportive submissions as the European Union has a great impact on our country. Accordingly, Out of 37 Members present, the agreement was endorsed by 35 Members voting YES and 2 voting NO.

The Member from Panbang Constituency in his dissenting opinion expressed that, the problem may arise in the absence of Debt Management Policy in place as it was new system. He further said that it may be beneficial if it could

be included in the law and therefore, requested the House to extend the time and adopt the same after relevant laws and policies are made clear.

### **5.3 SAARC FRAMEWORK AGREEMENT FOR ENERGY COOPERATION (ELECTRICITY)**

On the 9<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year of the Bhutanese Calendar corresponding to 27<sup>th</sup> May 2015 Minister for Economic Affairs, Member In-Charge of the SAARC Framework Agreement for Energy Cooperation (Electricity) while moving the motion for its ratification reported that Bhutan has a distinct vigor and energy from amongst the eight South Asian countries. Moreover, the agreement was introduced mainly to utilize energy production efficiently and to exchange the trade relation and promote economic relation within the member countries.

Since, energy is the main source to develop the economy of the country; there are benefits from the energy produced by a country which is utilized within the country and energy distributed to other countries. It will not only promote people's living standard but will also address the business related issues and benefit in formulating rules for business transactions.

He submitted that the Sixteenth SAARC Summit held in Bhutan 2010, was to enhance cooperation in the energy sector to facilitate energy trade, development of efficient

conventional and renewable energy sources including hydropower. Further, according to the decision of the Seventeenth SAARC Summit held in Maldives 2011 and keeping in mind the Rules and Policies of the Member countries an Inter- Governmental Framework Agreement for Energy Cooperation was formulated aiming for regional trade in electricity, preserving energy, exchange of energy based knowledge and promotion of electricity standard.

The Minister reported that SAARC energy office conducted several researches on electricity energy from which it was found that Bhutan is the only country with surplus electricity energy while other countries just have enough electricity for their consumption because of which Bhutan has opportunity to export. Accordingly, the House engaged in deliberation on the importance of the Agreement and ratified it with all 36 Members present voting for YES.

*(9<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 27<sup>th</sup> May 2015)*

#### **5.4 ADMISSION AS MEMBER TO AFPPD (ASIAN FORUM FOR PARLIAMENTARIANS ON POPULATION AND DEVELOPMENT)**

The Chairperson of the House Committee while submitting the objectives and benefits of joining AFPPD *as a member said that as per the directives of the Hon Speaker, 7 members have been identified to form a committee. While examining its benefit, it was found that Bhutan has taken*



*part in many such committees but Parliament has deliberated only on the membership to IPU.*

Bhutan is already a member to ARAPAC, Association of SAARC Speakers and Parliament and Asian Parliament Assembly without the formal approval of the Parliament.

To this, Hon Member submitted that they supported the joining of the committee to AFPPD. It was also decided that the Hon Speaker may appoint Members from the ruling and opposition party based on gender and age.

*(9th Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 27th May 2015)*

**6. ADOPTION OF COMPANIES BILL OF BHUTAN 2015**

The Member In-Charge of Bill, Minister for Economic Affairs moved the motion to pass the Companies Bill. Out of 41 Members present, 40 voted YES and 1 voted NO and adopted the Bill at 10.25 am.

*(21<sup>st</sup> Day of the 4<sup>th</sup> Month of Wood Female Sheep Year of the Bhutanese Calendar corresponding to June 8, 2015)*

**7. REDELIBERATION AND ADOPTION OF ENTITLEMENT AND SERVICE CONDITIONS (AMENDMENT) BILL FOR THE HOLDERS, MEMBERS AND COMMISSIONERS OF CONSTITUTIONAL OFFICES OF BHUTAN 2015**

Entitlement and Service Conditions (Amendment) bill for Holders, Members and Commissioners of the Constitutional Offices of Bhutan 2015 was re-deliberated in

the National Assembly according to the Legislative Rules of Procedure during which the House agreed on all the three clauses submitted by the National Council for re-deliberation thus, concluding the discussion.

On 15<sup>th</sup> June 2015 corresponding to the 29<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year, the Finance Minister, Member In-charge of the Bill moved the motion for leave that Entitlement and Service Conditions (Amendment) Bill for Holders, Members and Commissioners of Constitutional Offices of Bhutan 2015 be passed and Out of 36 Members present, 31 voted YES and 4 voted against while one Member abstained from voting thus, adopting the Bill at 10:45 AM.

*(29<sup>th</sup> Day of the 4<sup>th</sup> Month of the Wood Female Sheep Year corresponding to 15<sup>th</sup> June 2015)*



15<sup>th</sup> June, 2015

(Jigme Zangpo)  
**SPEAKER**

## **ANNEXURE I**

### **List of documents distributed for the 5<sup>th</sup> Session of the 2<sup>nd</sup> Parliament.**

- 1) Enterprise Registration Bill of Bhutan 2015.
- 2) Public Debt Management Report.
- 3) Rules of Procedure of The Public Accounts Committee 2015.
- 4) Annual Budget Report for the Financial Year 2015-2016 and Budget Appropriation Bill for the Financial Year 2015-2016.
- 5) Review Report of Finance Committee on Annual Budget Report for the Financial Year 2015-2016.
- 6) Supplementary Budget Appropriation Bill for the Financial Year 2014-15.
- 7) Report by Human Rights Committee.
- 8) Report by Women, Children and Youth Committee.
- 9) United Nations Convention Against Corruption.
- 10) Framework Agreement between The Kingdom of Bhutan and European Investment Bank Governing EIB activities in The Kingdom of Bhutan 2014.
- 11) SAARC Framework Agreement for Energy Cooperation (Electricity).
- 12) Admission as a member to AFPPD (Asian Forum for Parliamentarians on Population and Development).
- 13) Proposals for declaration of Dzongkhag Thromdes and Yenlag Thromdes.
- 14) Annual Anti-corruption Report 2014.
- 15) Report by Economic and Private Sector Development Committee.

## **ANNEXURE II**

### **LIST OF MEMBERS PRESENT DURING THE FIFTH SESSION OF THE SECOND PARLIAMENT**

1. Hon Speaker Jigme Zangpo, Mongar constituency, Mongar Dzongkhag
2. Hon Prime Minister, Tshering Tobgay, Sombaykha constituency, Haa Dzongkhag
3. Hon Minister for Home and Cultural Affairs, Lyonpo Damcho Dorji, Goenkhatoe-Laya constituency, Laya Dzongkhag
4. Hon Minister for Works and Human Settlement, Lyonpo Dorji Choden, Thrimshing constituency, Trashigang Dzongkhag
5. Hon Minister for Education, Lyonpo Mingbo Dukpa, Dewathang-Gomdar constituency, Samdrupjongkhar Dzongkhag
6. Hon Minister for Labour and Human Resources, Lyonpo Ngeema Sangay Tshempo, Lhamoizingkha-Tashiding constituency, Dagana Dzongkhag
7. Hon Minister for Health, Lyonpo Tandin Wangchuk, Athang-Thedtsho constituency, Wangdiphodrang Dzongkhag
8. Hon Minister for Communication, Lyonpo Dina Nath Dungyel, Phuentshogpelri-Samtse constituency, Samtse Dzongkhag
9. Hon Minister for Finance, Lyonpo Namgay Dorji, Draagteng-Langthil constituency, Trongsa Dzongkhag
10. Hon Minister for Economic Affairs, Lyonpo Norbu Wangchuk, Kanglung -Udzorong constituency, Trashigang Dzongkhag
11. Hon Minister for Agriculture and Forest, Lyonpo Yeshey Dorji, Maenbi- Tsaenkhar constituency, Lhuntse Dzongkhag
12. Hon Leader of the Opposition Dr. Pema Gyamtsho, Chhoekhor-Tang constituency, Bumthang Dzongkhag
13. Hon Deputy Speaker Chimmi Dorji, Lingmu-Toedwang Constituency, Punakha Dzongkhag
14. Hon Member Tshewang Jurmi, Chhumig-Ura constituency, Bumthang Dzongkhag

15. Hon Member Dawa Gyaltsen, Bongo-Chapchha constituency, Chhukha Dzongkhag
16. Hon Member Rinzin Dorji, Phuentshogling constituency, Chhukha Dzongkhag
17. Hon Member Karma Dorji, Drukjeygang-Tseza constituency, Dagana Dzongkhag
18. Hon Member Pema Drukpa, Khamaed-Lunana constituency, Gasa Dzongkhag
19. Hon Kinley Om, Bji-Kar-Tshog-Uesu constituency, Haa Dzongkhag
20. Hon Member Karma Rangdol, Gangzur-Minjei constituency, Lhuentse Dzongkhag
21. Hon Member Ugyen Wangdi, Dramedtse-Ngatshang constituency, Mongar Dzongkhag
22. Hon Member Rinzin Jamtsho, Kengkhar-Weringla constituency, Mongar Dzongkhag
23. Hon Member Kezang Wangmo, Dokar-Sharpa constituency, Paro Dzongkhag
24. Hon Member Khandu Wangchuk, Lamgong-Wangchang constituency, Paro Dzongkhag
25. Hon Member Zangley Dukpa, Khar-Yurung constituency, Pemagatshel Dzongkhag
26. Hon Member Choida Jamtsho, Nganglam constituency, Pemagatshel Dzongkhag
27. Hon Member Dechen Zangmo, Nanong- Shumar constituency, Pemagatshel Dzongkhag
28. Hon Member Dophu Dukpa, Kabisa-Talog constituency, Punakha Dzongkhag
29. Hon Member Pelzang Wangchuk, Jomotshangkha-Martshala constituency, Samdrupjongkhar Dzongkhag
30. Hon Member Tek Bahadur Subba, Dophuchen-Tading constituency, Samtse Dzongkhag
31. Hon Member Ritu Raj Chhetri, Tashichhoeling constituency, Samtse Dzongkhag

32. Hon Member Madan Kumar Chhetri, Ugyentse-Yoeseltse constituency, Samtse Dzongkhag
33. Hon Member Gopal Gurung, Gelegphu constituency, Sarpang Dzongkhag
34. Hon Member Kinga Tshering, North Thimphu constituency, Thimphu Dzongkhag
35. Hon Member Yeshey Zimba, South Thimphu constituency, Thimphu Dzongkhag
36. Hon Member Wangdi Norbu, Bartsham-Shongphu constituency, Trashigang Dzongkhag
37. Hon Member Jigme Wangchuk, Radhi- Sagteng, Trashigang Dzongkhag
38. Hon Member Karma Tenzin, Wamrong constituency, Trashigang Dzongkhag
39. Hon Member Dupthob, Boomdeling-Jamkhar constituency, Trashiyantse Dzongkhag
40. Hon Member Sonam Dondup Dorjee, Khamdang-Ramjar constituency, Trashiyantse Dzongkhag
41. Hon Member Nidup Zangpo, Nubi-Tangsibji constituency, Trongsa Dzongkhag
42. Hon Member Yogesh Tamang, Kilkhorthang-Mendrelgang constituency, Tsirang Dzongkhag
43. Hon Member Novin Darlami, Sergithang-Tsirang Toed constituency, Tsirang Dzongkhag
44. Hon Member Kuenga, Nyishog- Saephu constituency, Trongsa Dzongkhag
45. Hon Member Lekey Dorji, Bardo-Trong constituency, Zhemgang Dzongkhag
46. Hon Member Dorji Wangdi, Panbang constituency, Zhemgang Dzongkhag

*Note: Hon Minister for Foreign Affairs, Lyonpo Rinzin Dorji, Shompangkha constituency, Sarpang Dzongkhag was on leave during the 5th Session of the 2nd Parliament.*

### **ANNEXURE III**

#### **Address by the Speaker at the Opening Ceremony of the 5<sup>th</sup> Session of the Second Parliament of Bhutan**

1. On behalf of the Members of Parliament and on my own behalf, I would like to welcome His Majesty the Druk Gyalpo to the Opening Ceremony of the 5<sup>th</sup> Session of the Second Parliament of Bhutan. We would also like to express our gratitude to His Majesty the Druk Gyalpo for gracing the occasion on this auspicious day.
2. Similarly, I would like to welcome Her Majesty the Gyaltsuen, Members of the Royal Family, representatives of the International Community, representatives of the Central Monastic Body, senior government officials and all other guests who have come to witness the occasion.
3. Although, everyone is aware about the agenda of this session, I would like to take this opportunity to inform that the following would be deliberated in the Joint Sitting of Parliament:
  - i. Narcotic Drugs, Psychotropic Substances and Substance Abuse Bill of Bhutan
  - ii. Local Government Members Entitlement Bill of Bhutan
  - iii. Bio-Safety Bill of Bhutan
  - iv. Office of the Attorney General Bill of Bhutan
  - v. Tenancy Amendment Bill of Bhutan

It is hoped that the above Bills would be adopted after deliberation.

In addition, the Public Accounts Committee will present a report on the Public Debt Management and deliberations will

also be held on the Rules of Procedure of the Public Accounts Committee. Further, the Annual Report of the Government will be presented to the Joint Sitting.

4. The National Assembly will deliberate on Jabmi Amendment Bill of Bhutan, Enterprise Registration Bill of Bhutan and the Companies Bill of Bhutan.
5. Similarly, the National Assembly will also deliberate on three international conventions, Annual Budget report, petitions from the Local Government, committee reports, motions by the Members and the report by the Anti Corruption Commission.
6. This year, the National Assembly will establish a Finance Committee and guidelines to this effect has been formulated. It is hoped that the Finance Committee would efficiently review the government's budget for its timely adoption which would benefit the development activities.
7. Our close neighbor Nepal was struck by an earthquake with a magnitude of 7.8 on 25<sup>th</sup> April 2015. The calamity had not only caused widespread destruction to properties but had also claimed many lives leaving families in grief. The Parliament of Bhutan would like to offer our condolences to all the victims and pray for the heavenly departure of the lost souls.
8. In order to provide relief support to disaster stricken Nepal, out of great compassion His Majesty the Druk Gyalpo immediately commanded to dispatch a team of 63 personnel comprising of medical experts, Dessups and Royal Bhutan Army led by the Prime Minister and the Minister for Health. An additional



group of 15 Dessups, Royal Bhutan Army personnel and doctors were also dispatched on 4<sup>th</sup> May 2015 as requested.

9. Further, upon the command of His Majesty, Prime Minister Tshering Tobgay personally handed over a cheque of US dollar one million to Nepalese Prime Minister Sushil Koirala to attend the needs of victims for food and medicine.
10. The Prime Minister Tshering Tobgay after assessing the damages caused by earthquake in Nepal returned on board a special flight with 231 Bhutanese citizens stranded in Nepal as commanded by His Majesty the Druk Gyalpo. Other 70 Bhutanese citizens were also safely reached to Bhutan in buses via Kankarvita. Therefore, we would like to express our gratitude to His Majesty the Druk Gyalpo and the Government.
11. Such support granted by His Majesty the Druk Gyalpo with compassion would firstly benefit the victims of earthquake in availing medical services. Secondly, it will benefit our people to gain experience to deal with such situation and thirdly it will further strengthen the existing good relations between the two countries. Thus, Parliament of Bhutan would like to express our deepest gratitude to His Majesty the Druk Gyalpo.
12. I would also like to express my gratitude to His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen for offering a thousand butter lamps along with the senior government officials, representatives of the international community and the Nepalese community in Bhutan for the victims of earthquake in Tashichhodzong and Dechenphug.

13. The team which has left for Nepal on the command of His Majesty the Druk Gyalpo comprises of capable and experienced people. Hence, it is hoped that they will serve to the best as the representatives of His Majesty the Druk Gyalpo and the country.
14. The Parliament would like to express its appreciation to the Royal Bhutan Airlines and the Bhutan Airlines for considering the safety of the Bhutanese people and evacuating 231 Bhutanese citizens from Nepal without charging air fares. Furthermore, we would also like to thank these airlines for transporting relief materials to Nepal.
15. His Majesty the Druk Gyalpo, the epithet of compassion and wisdom celebrated the *Chunipai Losar* with the people of six eastern Dzongkhags in Mongar last year. Similarly, His Majesty the Druk Gyalpo celebrated the *Chunipai Losar* this year at Autsho in Lhuentse.
16. The 107<sup>th</sup> National Day was commemorated at Kanglung in Trashigang. Thus, the people of six eastern Dzongkhags were fortunate to receive audience from His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo and Members of the Royal Family. On behalf of the people of Bhutan and particularly on behalf of the people of eastern Dzongkhags, I would like to express our deepest gratitude to His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo and the Members of the Royal Family.
17. During the 107<sup>th</sup> National Day celebration at Trashigang, His Majesty the Druk Gyalpo granted medals of recognition to

endowed civil servants and farmers. Further, Prime Minister Tshering Tobgay was conferred the *Lungmar* in recognition of his service. I would like to express my gratitude to His Majesty the Druk Gyalpo for recognizing such dedicated service to the Tsa-Wa- Sum which will inspire other leaders in the country.

18. Considering both the present and future benefit of the country, His Majesty the Druk Gyalpo commanded to send some personnel of the three armed forces to serve in the UN Peace Keeping Missions. This indicates that our country is developing. The Parliament would like to express our gratitude to His Majesty for such noble and historic initiatives towards international cooperation.
19. The Parliament would like to thank His Holiness the Je Khenpo, spiritual leaders and other religious bodies for conducting various rituals and religious activities for the wellbeing of the country and in particular to commemorate the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo.
20. I would also like to express my gratitude to Their Majesties the Queen Mothers and the Royal Family for initiating various programmes to pay tribute to His Majesty the Fourth Druk Gyalpo.
21. During the celebration of His Majesty the Druk Gyalpo's Birth Anniversary last time, the Prime Minister informed that stupas and other religious structures requiring renovation and those vandalized will be restored in commemoration of the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo. If possible, these works could be undertaken by the people of

concerned villages. However, the people and the government could jointly work together to renovate those religious structures which require major renovation. Since we are celebrating the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo this year, it is imperative that we take it as an opportunity and start the restoration works this year.

22. Hon'ble Tshering Tobgay, the Prime Minister of Bhutan attended the Vibrant Gujarat Global Summit on Economic Development and delivered a speech on Bhutan's development policies which was well received by the international community. Thus, giving a reason to the people of Bhutan to take pride in it. Moreover, it has further strengthened the relations of Bhutan with India and also with the international community.
23. Similarly, I would like to thank the Prime Minister for his official visits to the United States and Sri Lanka. The visit to Sri Lanka was undertaken for the first time by the Prime Minister on the invitation from the Sri Lankan President. I would also like to express my thanks to the Prime Minister for meeting with higher officials of Sri Lanka which had further strengthened the existing ties between the two nations.
24. The Parliament would like to express our gratitude to the Government, armed forces and Dessung for the support rendered towards the people affected by wind storm in some of the Dzongkhags as per the command of His Majesty the Druk Gyalpo.

25. I would like to express my appreciation to the former Secretary General of the National Assembly, Mr. Kinzang Wangdi for efficiently organizing the proceedings of House and bringing about new reforms in the National Assembly during almost three years of his service. We would also like to congratulate him on his appointment as the Cabinet Secretary.
26. In conclusion, it is hoped that the Fifth Session would be successful with the blessings of Triple Gem, noble guidance of His Majesty the Druk Gyalpo, collective merit of the Bhutanese people and the support of the Members of Parliament.

**THANK YOU!**

## **ANNEXURE IV**

### **Address by Tshogpon Jigme Zangpo at the Concluding Ceremony of the 5<sup>th</sup> Session of the 2<sup>nd</sup> Parliament (17<sup>th</sup> June, 2015)**

1. The 5<sup>th</sup> Session of the 2<sup>nd</sup> Parliament concludes today.
2. On behalf of the Parliament and on my own behalf, I would like to welcome and express my deepest gratitude to His Majesty the Druk Gyalpo for gracing the concluding ceremony.
3. The Parliament would also like to welcome Her Majesty the Gyaltshen, Members of the Royal Family, senior government officials, representatives of the international community and all other guests who have come to witness the occasion.
4. A total of five Bills have been passed in the joint sitting during the Fifth session of the 2<sup>nd</sup> Parliament. As per the provisions of the Constitution, these Bills have been submitted to His Majesty the Druk Gyalpo for the Royal assent.
5. In this session, the National Assembly deliberated on three Bills and three international conventions which have been transmitted to the National Council as per the procedure.
6. In order to execute balanced socio-economic development, the provisions of the Constitution mandates the establishment of Dzongkhag Thromde and Yenlag Thromde in all 20 Dzongkhags. Therefore, Dzongkhag Thromdes were established in four Dzongkhags during the tenure of the First Parliament. Since it was important to establish the remaining 16 Dzongkhag Thromdes and Yenlag Thromdes, the Second

Parliament deliberated on it for three days. As a result, boundaries and areas of 15 Dzongkhag Thromdes and 18 Yenlag Thromdes were endorsed.

7. A total amount of Nu.50,713.707 million has been passed towards the national budget for the financial year 2015-16 with deliberations held to widen the East-West highway, establish central schools and to efficiently address youth related issues. From the total budget, current budget amounts to Nu.23, 871.321 million and the capital budget amounts to the tune of Nu. 26,842.386 million. The budget for the next financial year is an increase of 24% from the current financial year and also the biggest as compared to previous three years. It is hoped that the budget passed would greatly benefit the people and the country.
8. Similarly, Supplementary Budget of Nu. 44,160.537 million was endorsed for the financial year 2014-15 for which the initial budget was approved at the tune of Nu. 40,355.837 million.
9. The Annual Budget for the financial year 2015-16 and the Supplementary Budget Appropriation Bill for the financial year 2014-15 were transmitted to the National Council for deliberations as per the procedure. The recommendations of the National Council were deliberated and endorsed. The recommendations would benefit the Ministry of Finance and the Finance committee of the National Assembly for formulating plans and policies during future budgetary planning and review.

10. The Government of India has provided generous grants for the 11th five year plan towards the socio-economic development of Bhutan. For this, on behalf of the Parliament of Bhutan, I would like to thank the Government of India.
11. The Public Accounts Committee presented the Annual Audit Report for the year 2014 to the Parliament. The report was reviewed by the Public Accounts Committee and its recommendations were presented. I would like to commend for the amount of Nu. 115.628 million which has been recovered from the pending audit irregularities in the year 2014. In addition, the Parliament would also like to commend the Royal Audit Authority for its efforts in bringing out comprehensive reports on the Performance Audit and Debt Management which were deliberated in the joint sitting.
12. The Good Governance Committee reviewed the Annual Report of the Anti Corruption Commission which was deliberated by the House. The report stated that Bhutan has rose up one position in the Transparency International's corruption perception index securing Bhutan's position at the 30<sup>th</sup> out of 175 countries. In Asia Pacific, Bhutan was ranked among top six countries with less prevalence of corruption. The Parliament of Bhutan commends the Anti Corruption Commission of Bhutan for being a model institution.
13. The Women, Children & Youth committee, Human Rights committee and the Private Sector & Economic Development committee also reviewed societal problems in various relevant institutions and agencies as per their respective Terms of



Reference. The House had extensively deliberated on the review reports to this effect.

14. Section 10 of article 10 of the Constitution mandates the Prime Minister to present an annual report on the legislative plans, priorities and state of the nation to Parliament and His Majesty the Druk Gyalpo. Accordingly, the report was presented over duration of four hours which reflected on how the country has developed under the dynamic leaderships of successive monarchs. In addition, the outcomes of the three branches of the government, constitutional bodies, local governments, CSOs and media were reported. The Prime Minister also reported that adequate budget was kept in place for this year's financial year and informed on the detail plans for the next one year.
15. The Prime Minister further reported that the government and the people should work together for the security, good governance and socio-economic development of the country. Therefore, on behalf of the Members of Parliament, I would like to express my appreciation to the Prime Minister.
16. His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen visited Haa Dzongkhag and Gewogs of Merak and Sakteng in Trashigang Dzongkhag. The visits were mostly undertaken on foot by Their Majesties discounting their own personal comforts. During the Royal tour, Their Majesties visited Lhakhangs, Goendeys, public projects and also granted audience to the people, business community and students. The Parliament would like to express our gratitude to Their

Majesties for their noble guidance and wisdom granted to the people towards living a meaningful life and serving the nation.

17. Similarly, in order to pay tribute on the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo, Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck initiated 11 programmes under the project 'PICSA'. Among the 11 programmes, five were successfully implemented which includes the plantation of 49,672 saplings on 2<sup>nd</sup> June under the patronage of Her Majesty. The plantation programme has entered the historic Guinness Book of World Records. The Parliament of Bhutan therefore would like to express our gratitude to Her Majesty, Ministry of Agriculture & Forest, other organizers and participants.
18. The 5<sup>th</sup> Session concludes successfully mainly with the blessings of Triple Gem, noble guidance of His Majesty the Druk Gyalpo, prayers of various religious institutions under the leadership of His Holiness the Je Khenpo, collective merit of the Bhutanese people and the support and cooperation rendered by the Members of Parliament. I would like to express my gratitude for this.
19. In conclusion, on behalf of the Members of Parliament, I would like to offer my prayers for the good health and long life of His Majesty the Druk Gyalpo and the Members of the Royal Family.

**THANK YOU!**