2ND PARLIAMENT OF BHUTAN 3RD SESSION



Resolution No. 3

PROCEEDINGS AND RESOLUTIONS OF THE NATIONAL ASSEMBLY OF BHUTAN (MAY 16 - JUNE 20, 2014)

Speaker : Jigme Zangpo

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I. OPENING CEREMONY

The Opening Ceremony of the Third Session of the Second Parliament commenced on the auspicious day on 17th Day of the 3rd Month of the Wood Male Horse Year corresponding to 16 May, 2014. His Majesty the Druk Gyalpo was received with elaborate *Chipdrel* and *Serdrang* ceremony to the Parliament Hall followed by the traditional *Zhudrel Phuensum Tshogpai* Ceremony.

II. ADDRESS BY HIS MAJESTY THE DRUK GYALPO

His Majesty the Druk Gyalpo addressed the Opening Ceremony of the 3rd Session of the Second Parliament. In His address, His Majesty the Druk Gyalpo said that among the many goals that are being pursued by our country, one of the most important goals is to nurture and strengthen democracy for the continual benefit of the country and the people.

His Majesty pronounced that we are a small country with a population between six and half to seven hundred thousand people. As the capability of citizens would naturally translate into strong and stable nation, it is of paramount importance to invest in enhancing the capabilities of our people in accordance to the changing time.

His Majesty said that, it is imperative to enhance the capacity of our people through creation of an equitable

economic development and just society. Gauging from the changes in circumstances of other countries, mere progress of the people do not serve the purpose. It is therefore, crucial to enhance the capacity of our people and place them on an equal platform of capable people enabling them to effectively shoulder their responsibilities by providing knowledge, experience and new ideas. This in turn would naturally entail into harmonious and just society strengthening sovereignty, security, peace and solidarity of our country. Therefore, our people would not only enjoy greater peace and happiness but also be able to uphold our age old traditions and realize the objectives of Gross the horizons of our National Happiness beyond expectations.

His Majesty expressing his appreciation to the Members of Parliament and people said that the ability to gather for the 3rdSession of the Second Parliament and engage in substantive deliberations on the important issues of the country is attributable to the services rendered by our people. The issues tabled in the Parliament through the Local Government are the results of participation of the people in meetings held inthe 20 Dzongkhags and 205 Gewogs expressing their needs and aspirations. The Members of Parliament and civil servants embrace the needs and aspirations our people as their responsibilities and render effective services.

When serving the nation, His Majesty said disagreements among the Members of Parliament are natural and that people should appreciate and encourage such disagreements and not worry about it. His Majesty also said that in order to promote strong checks and balances, the three branches of government-Judiciary, Legislature and Executive along with offices of constitutional post holders were also established.

For instance, the Parliament is composed of National Council and National Assembly and within the National Assembly there are ruling party and opposition party bearing respective responsibility of formulating policies, plans, and legislation for the development focusing on meeting the aspirations of the people ensuring current and future welfare of the country. The differences in opinions and voicing of alternative views in the course of discharging respective responsibilities are indications of being responsible and concerned citizens.

His Majesty said that we have a deliberative and inclusive democracy encouraging involvement and participation of our people. While the opinions may differ depending on the mental landscape, the objectives and concerns always remain unchanged. His Majesty said that the execution of significant national endeavors deserves in depth analysis of merits and demerits and substantive discourse right from the beginning to reap the benefits of new ideas, strategies and guidelines. His Majesty commanded to encourage, support and embrace these new ideas, strategies and guidelines.

His Majesty said that we have gained unique experiences within six years after the introduction of democracy and expressed his happiness for having heard what was not heard, for knowing what was not known before and having gained several new ideas. However, despite our progression, we cannot afford to remain complacent said His Majesty.

Henceforth, in carrying out the important national tasks, it is also crucial to further strengthen the democratic system. His Majesty said that in some countries where democracy was established many years ago good works were carried out resulting into outcomesthat benefits the people and the country. His Majesty also said that there are nations that took off well on the path to democracy but faltered along the way that gave rise to problems, the ultimate victims of which were the people. His Majesty opined that it is of paramount importance for us to draw lessons from other countries and bear in mind while discharging ones duty. His Majesty said problems arising in some democracies were as a result of elected governments focusing too much on the short term immediate goals at the cost of the future. Some governments, His Majesty said were bent only on winning and election that it blinkered their vision to think only for the good of the party and themselves compromising the larger good of the people and the nation. Some from fear of losing elections, some lost sense of judgment for good and bad or right and wrong to the extent of even inciting division and discord among people along the lines of ethnic identity, religious beliefs and regionalism, that turned a once peaceful country into a divided one destroying democracy and future of the nation.

In some countries, His Majesty said that politicians make colorful promises during the election campaign and appeal for an opportunity pledging to strive in meeting the needs and aspirations of the people. However, once they assume the position of power, they purely focus on self-interest and demonstrate bad example and fail in their duties. Therefore, it encourages corrupt and immoral activities in the country thus damaging the democracy and future of the country.

His Majesty cautioned the Members about passing too many laws in haste. He said when there were too many laws, people for whom they were meant, found it difficult to cope, especially if they were crafted without people's consultations. His Majesty cited examples of nations where people has lost faith in law and confidence in democracy due to proliferation of laws which are hastily enacted, poorly implemented causing social difficulties for the people.

However, His Majesty said the country was blessed to have transitioned to a democracy on firm foundations the visionary Fourth Druk Gyalpo had laid through several processes over many years. He said that our people have served the nation with great dedication and loyalty.

His Majesty said that we have now entered into the threshold of unique system, unique nation and unique time and all the 72 Members present in the House were the embodiment of the Bhutanese people's trust and confidence, privileged few to be conferred the symbolic scarves from the golden throne before they took office. His Majesty said his only aspiration and expectation of them, in all their endeavors while in office, was for them to bear in mind the best interest of the nation and its people, not just within their stipulated tenure, but much beyond and at all times nurture a stable system that is not susceptible to forces of change in government and people.

His Majesty reminded that the one must always voluntarily put the interest and welfare of the nation before the selfinterest even if it entails negative effects on self. In a small nation, our true strength lies in the unity and solidarity of our people. The prevalence of division and discord in the society would pose grave danger in our country said His Majesty. The Members were commanded to bear in mind that our country is small landlocked nation with little over six hundred thousand people and it is therefore of paramount importance to maintain harmony, unity and solidarity for a strong and stable nation.

His Majesty said that Members are bestowed with unique opportunity of serving the *Tsa-Wa-Sum* in their lives and urged to strive in serving the people and the nation. His Majesty also reiterated the significance of Indo-Bhutan relations and congratulated the people of India for their successful conduct of the 16^{th} Lok-Sabha elections.

His Majesty the Druk Gyalpo said that 2015 will mark the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo. Therefore, the celebration of the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo is indeed an opportune moment to look forward for the Central Monastic Body and religious organizations, government, political parties, civil servants, Members of Parliament, armed forces, private sectors and people of all the twenty Dzongkhags including His Majesty himself.

However, I know that His Majesty the Fourth Druk Gyalpo would refuse to commemorate his birth anniversary because His Majesty has always been advising to prudently manage the meager resources at our disposal and avoid wasteful expenditure, said His Majesty the Druk Gyalpo. His Majesty Druk Gyalpo said that His Majesty Fourth Druk Gyalpo has embraced the reins of reigning the country at the tender age of 16 and has been on the throne for 34 years and selflessly devoted his life for the wellbeing of the country and the people with outmost care and kindness as the emanation of Avalokesteswara- the God of Compassion.

When the nation faced grave problems and difficulties, His Majesty the Fourth Druk Gyalpo fearlessly resolved the problem and secured peace, security and sovereignty and further cemented the solidarity and strengthened the foundation of our nation and safely handed over to us the people of our country said His Majesty the Druk Gyalpo. His Majesty said that the Commemoration of the 60^{th} Birth Anniversary of His Majesty the Fourth Druk Gyalpo in 2015 would be an opportunity for the country and its people to pay tribute to the enlightened leadership of the Fourth Druk Gyalpo and further said that celebration would be an opportunity to rededicate our service to the *Tsa-Wa-Sum* with utmost loyalty.

Lastly, His Majesty said that the overarching national objectives are to strengthen democracy, uplift the livelihood of the people and ensure prosperous and just society. I have already outlined some of the pressing issues facing our country during the last National Day and therefore it is not imperative to reiterate here today and you must know that those issues are always lingering in my mind, said His Majesty the Druk Gyalpo.

Ours is tiny landlocked and resource constrained nation and therefore while executing major activities in the country, it is always a formidable challenge to make the means meet the end. It is therefore crucial to expeditiously mitigate and solve the problems facing us said His Majesty. His Majesty said that the people of Bhutan had bestowed their trust and confidence in the Members of Parliament in general and Prime Minister Tshering Tobgay in particular and granted them the power and responsibility. Therefore, His Majesty urged all the Members of Parliament, senior government officials, civil servants and Bhutanese people under the leadership of Prime Minister to join hands in resolving the problems.

His Majesty emphasized on the goal of self-reliance to enable us to stand on our own feet and said that we can realize this goal because we are fortunate to have a pool of young knowledgeable and capable Members. Therefore, we must not waste time and work tirelessly in solving the problems and hand over the country to our future generations, said His Majesty. In conclusion, His Majesty the Druk Gyalpo congratulated the Members of the Parliament.

III. MOTION OF THANKS

Lyonchen Tshering Tobgay

The Prime Minister of Bhutan Lyonchen Tshering Tobgay expressed his gratitude to His Majesty the Druk Gyalpo for gracing the Opening Ceremony of the 3rdSession of the Second Parliament. He expressed that His Majesty has and Closing Ceremonies graced 25 Opening of Parliamentary sessions ever since parliamentary democracy was introduced in the country. The Prime Minister expressed that this was an indication of Royal support towards the Members of Parliament and the people. Further, he expressed that the granting of special royal guidance signifies His Majesty's concern and care for the Members of Parliament.

He expressed that Members of Parliament were very fortunate to receive such noble guidance and directives from His Majesty. Most of the Members of Parliament were new and more over the Members of the Ruling Party and the Cabinet were not only new but also young and inexperienced. However, it was submitted that the Members of Parliament were able to serve the *Tsa-Wa-Sum* mainly because of the constant guidance and words of wisdom shared by His Majesty the Druk Gyalpo and His Majesty the Fourth Druk Gyalpo.

The people were deeply concerned and doubtful when His Majesty the Druk Gyalpo and His Majesty the Fourth Druk Gyalpo commanded for the introduction of parliamentary democracy in the country. However, all the people are well aware of the Royal initiatives of introducing democracy was undertaken considering the welfare of the people and the country.

It was submitted that the country continues to witness peace and happiness after laying a strong foundation of democracy. The people have been able to experience and understand the system of democracy although it has been just over six years after it has been introduced. Therefore, Bhutanese democracy has been looked upon as an example in the world.

Thus, His Majesty granted noble guidance and directives to the people and the Members of Parliament in order to assert on the system of democracy. On behalf of the Members of Parliament, the Prime Minister expressed his gratitude for the Royal guidance from the Throne underscoring the opportunities, dangers and benefits for the people which come along with democratic system.

It was submitted that recognizing the importance of democratic system, it was important to serve the *Tsa-Wa-Sum* for the success of democracy. It was also submitted that the Royal Command stating that socio-economic development was the core of democratic system would be borne in mind. In addition, it was important for the people, government and the Members of Parliament to be mindful of the Royal command that Bhutan should become a prosperous country with socio-economic development.

His Majesty commanded that the national goals should be emphasized on. Thus, it was pledged that consultations would be held with the Members of Parliament, Civil Servants, Private Sector and Local Government in order to fulfill the Royal aspirations of His Majesty.

One of the main reasons for the people to apprehend the introduction of democracy was their concerns in pondering who would take care of humble people and render assistance in times of natural calamities. Amid this concerns, His Majesty, the people's King personally granted audience to the victims of natural calamities which occurred in the last six years and provided them noble guidance and consolation. Further, his Majesty also granted relief assistance and helped rebuild homes which were destroyed.

Therefore, the humble people of Bhutan have clearly understood the fact that in times of their need, their refuge was no other than the people's King, His Majesty the Druk Gyalpo Jigme Khesar Namgyal Wangchuck.

It was submitted that the people were immensely grateful to His Royal Highness Prince Jigme Dorji Wangchuck who personally visited the site of the forest fire in Trashigang recently. His Royal Highness met with the victims of the disaster and granted Kidu to them.

Gratitude was also expressed to His Majesty for commanding the mobilization of the personnel of Royal Bhutan Policy, Royal Bhutan Army and Dessup towards the relief works when Samtse town and other Gewogs in the district were affected by windstorm.

It was submitted that His Majesty commanded immediate relief operations by sending his representatives when 18 people were killed in an incident whereby a boat capsized in Mangdechu river in Zhemgang. The Minister for Home and Cultural Affairs was also commanded to visit the disaster site and the Ministry and the Dzongkhag Administration were directed to address the situation. Upon the Royal Command, the Prime Minister also visited the disaster site and handed over the consolation materials on behalf of His Majesty to the victims. The Prime Minister reported that the soldiers of the Royal Body Guards and the Royal Bhutan Army along with volunteers, civil servants and other people rendered support and assistance to the victims when people were experiencing unbearable sorrow.

In addition, it was reported that the final rites of the people killed in the incident were conducted upon the Royal command and the families of the victims were granted Kidu. He reported that the people were deeply overwhelmed by the compassion bestowed by His Majesty and conveyed that the people had expressed that such Royal graciousness could never be repaid.

He expressed his gratitude to His Majesty the Druk Gyalpo who as the Head of the State has enhanced Bhutan's relations with foreign countries and international organizations. He also expressed his gratitude to His Majesty for further strengthening the relations with the neighboring country of India.

On behalf of the Members of Parliament and the Cabinet, the Prime Minister extended his felicitations to all the political parties of India for participating in the general elections which were successfully held. On behalf of the people of Bhutan, the Prime Minister with utmost respects and reverence expressed his gratitude to His Majesty for the Royal command to celebrate the 60thBirth Anniversary of His Majesty the Fourth Druk Gyalpo.

The Prime Minister also expressed his gratitude for granting the opportunity to the Bhutanese people to pay their respects and gratitude and reminiscent the wisdom of body, speech and mind of the beloved, revered and farsighted King His Majesty Jigme Singye Wangchuck.

His Majesty had always underscored that Bhutan was a small and land locked country. Therefore, the Prime Minister requested for the Royal command to hold consultations among the National Council, National Assembly, Constitutional Bodies, civil servants, armed forces, religious community, business community, students, farmers and the local leaders within one year on how to commemorate the event. The Prime Minister submitted that new ideas could be suggested if the people think uniformly and hence celebrations would be held successfully by the people and the country as per the Royal aspirations.

Chairperson of the National Council

The Chairperson of the National Council submitted that all the people were aware of the fact that Wangchuck Dynasty has been the source of democratic system in Bhutan. The people were also enlightened on the fact that His Majesty the Fourth Druk Gyalpo and His Majesty the Druk Gyalpo were the essence of democracy in Bhutan. It was submitted that it was a matter of great joy when His Majesty the Druk Gyalpo commanded to take the lead to commemorate and express gratitude and respects to His Majesty the Fourth Druk Gyalpo for the Royal initiatives undertaken towards the interest of the nation.

He expressed that the presence of His Majesty and the Members of the Royal Family in the Opening Ceremony of the 3rd Session of Parliament was a testimony of Royal support towards the democratic system. On this note, he submitted that one should not view that the Royal presence at the occasion was only because of the provisions of the Constitution.

He submitted that from the time of His Majesty's ascension to the Golden Throne until today, His Majesty had commanded to nurture the democratic system as a national goal. He also expressed his gratitude after he submitted that His Majesty's presence at the Opening Ceremony signified Royal support towards the system of democracy.

It was submitted that expression of gratitude was not made merely because it stood as the agenda of every Opening Ceremony but rather the gratitude was expressed wholeheartedly towards the Royal initiative undertaken for the people and the country. He submitted that on behalf of the National Council, he would like to express two examples cumulating same meaning. He set forth that the rays of the sun radiates symmetrically but the extent of sun rays touching the ground were solely determined by the various landscapes. Similarly, His Majesty had travelled in all four directions without prejudice to undertake noble initiatives.

He expressed that the nature of a virtuous master was compassionate empathy and not of prejudice. However, the amount of blessings received depended on one's individual faith. Therefore, he expressed his gratitude to His Majesty for his magnanimity bestowed upon the people out of compassion as bestowed by the virtuous masters for the liberation of beings.

It was submitted that all the people were cognizant of the fact that His Majesty's Royal aspirations was to bolster the sovereignty and security, happiness of the people and the development of the country. He submitted that while exchanging views with the people, he was told by some people who lived independently that they owed to His Majesty for living happily. He also submitted that those people who could not look after themselves and stood in need expressed that His Majesty has always been their refuge.

Gratitude was also expressed to His Majesty for treating all his subjects in the country equally without discriminating on ethnicity and others. Similarly, he expressed his gratitude to His Majesty for granting Kidu to the victims of the boat disaster at Rendibi in Zhemgang, fire disasters at Bartsham and Bidung in Trashigang and to the victims of windstorm disasters in Samtse. Further, His Majesty has visited all the corners of the country to ensure that every person in need receives Kidu. He also expressed his gratitude to His Majesty for appointing Kidu Officers, enhancing the functions of the Office of the Zimpon and appointing His Royal Highness Jigme Dorji Wangchuck as His Majesty's representative to the east.

He submitted that His Majesty had undertaken initiatives at all time and commanded today on the democratic system, national goals and problems associated with democratic system in other countries. Such commands were granted considering the concerns pertaining to 'One Nation, One People'. He also expressed his deepest gratitude after submitting that such royal guidance by His Majesty provided inspiration to serve.

Leader of the Opposition

The Leader of the Opposition Dr. Pema Gyamtsho, expressed his deep appreciation to His Majesty the Druk Gyalpo for gracing the Opening Session and for the profound and wise guidance on the democratic principles and advice on achieving our national goals.

He expressed his gratitude to His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen for visiting the remote villages providing the people an opportunity to personally meet and submit their grievances to their Majesties. He submitted that the recent visit of their Majesties to Chukha, Samtse and Zhemgang Dzongkhags, provided the humblest of people the rare opportunity of meeting the Royal Couple and receive Kidu. This has been a source of immeasurable happiness to the people. He also expressed his hope that their Majesties will continue to visit the remaining Dzongkhags so that the rest of the people will also have the honour of personally meeting their Majesties.

On behalf of the Opposition Party, he expressed his sincere gratitude to His Majesty the Druk Gyalpo forgranting Kidu and commanding relief efforts and support to the victims of several natural disasters which affected our country.

He expressed the gratefulness and happiness of the people of the Eastern Dzongkhags to His Majesty the Druk Gyalpo for magnanimously appointing HRH Prince Jigme Dorji Wangchuck as His Majesty'sRepresentative in the eastern region considering the welfare of the people in the East. The people remain grateful to His Royal Highness for the immediate relief and support provided to those families affected by the recent forest fire in Bartsham, Bidhung and Samkhar Gewogs.

He submitted, with the permission of the House, that one of the soft powers or the strength of our nation is the institution of Monarchy, the life line of the sovereignty of our country and the gem of unity of our people. The people of Bhutan offer their unwavering respect and reverence to their Majesties and pledge to uphold the trust and loyalty of the people for their Majesties.

He said that the second important strength of our country was our religion and Buddhist faith. He said that although we have been affected by unnatural disasters we still enjoy peace and happiness unlike other countries which suffer from war, famine and epidemics. This is mainly because of the continuous prayers conducted by our Dratshangs, Rabdeys, Choedays, Goendays and other religious bodies led by His Holiness the Je Khenpo. He said that it was imperative for the Bhutanese people to seek the help and guidance of our guardian deities to uphold this faith and for Buddhism to flourish. The third strength of our country is the development philosophy of Gross national Happiness (GNH) conceived by our visionary Fourth Druk Gyalpo. One of the main reasons for the many natural disasters faced by the world is because of increasing use of natural resources such as forest and mining at unsustainable rate to make profit. Therefore, it is very important for us to understand the values and principles of Gross National Happiness and to continue topromote it nationally and internationally.

The Leader of the Opposition said that the fourth most important asset that we have is our pristine environment. Under the farsighted polices and stewardship of our Monarchs our forefathers have been able to keep our pristine environment intact. Our forests, rivers and mountains are home to a wide range of plants, birds and animals. Bhutan is not only seen as a role model for successful environmental stewardship and conservation of nature and have also won lot of awards and accolades for its effort. He therefore appealed to all the Bhutanese to continue to conserve our environment in spite of facing some impediments considering the benefit both for the country and international community.

He also added that the other strengths of our country include our traditional culture and customs, the capabilities and the conduct of our leaders, civil servants and the three Armed Forces. He said that it was important not to lose sight of these strengths that we have. In conclusion he offered his prayers for a strong and sovereign Bhutan and for continued peace and happiness under the dynamic leadership of His Majesty the Druk Gyalpo.

IV. OPENING ADDRESS BY THE SPEAKER

On his behalf and on behalf of the Members of Parliament, the Speaker welcomedand expressed his gratitude to His Majesty the Druk Gyalpo for gracing the Opening ceremony of the 3rd Session of the Second Parliament.

Similarly, the Speaker extended his welcome to the Members of the Royal Family, representatives of the religious organizations, senior government officials, defense officials and international dignitaries. Further, he extended his welcome to Her Royal Highness Princess Benedikte of Denmark and her delegation to the parliament and wished them a pleasant stay in Bhutan and a happy journey back home.

The Speaker expressed hopes that the Bills would be endorsed with fruitful deliberations as per the rules and procedures for passing Bills. He informed that as per the provisions of the Constitution, the 3rd Session would see presentation of Annual State of the Nation Report by the Prime Minister, Report by the Anti-Corruption Commission, Report by the Royal Audit Authority and the Report on the Annual Budget by the Finance Minister.

It was informed that the government recognizing the civil service as the backbone of the public service delivery considered to raise the salary for the civil servants and mandated the Pay Commission to review the pay and allowances of the civil servants. Therefore, a report thereof was submitted to the Parliament through the Cabinet. The Speaker expressed hopes that this initiative would serve as the motivation for greater efficiency and dedication in the civil service.

The Speaker expressed that theprevious Royal Civil Service Commission in their five year term rendered their dedicated service in serving the interest of the civil servants. Therefore, on behalf of the Parliament, he expressedhis appreciation to the Commissionandalso congratulated the new Chairperson and Members of the Civil Service Commission. In addition, he expressed hopes that the new Commission would strive to enhance the professionalism of the civil servants in enhancing good governance and social equity.

He expressed his gratitude on behalf of the Parliament to His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen, the embodiment of compassion for visiting the southern and eastern parts of the country to address the problems faced by the people. The Parliament also expressed its deep gratitude to His Majesty for granting *Kidu* and personally looking into the welfare of the people affected by the various natural disasters and the victims of the boat that capsized in Rendibi River in Zhemgang.

Further, the Speaker informed that with his noble vision of serving the welfare of the people of six eastern Dzongkhags, His Majesty the Druk Gyalpo appointed HRH Jigme Dorji Wangchuck as His representative. His Royal Highness embracing the noble task endowed upon him officially established his office and began serving the people. On behalf of the Parliament, the Hon Speaker expressed his unfathomable gratitude to His Majesty the Druk Gyalpo and His Royal Highness.

In addition, on behalf of the Parliament, he expressed his gratitude to His Holiness the Je Khenpo and other religious personalities for conducting various religious activities to avert diseases, famine and conflicts for the peace and tranquility in the country.

He also expressed hopes that the initiative of the Prime Minister in signing the Performance Agreement with various Ministries and Dzongkhags to enhance the government performance was a commendable strategy which would result fruitful outcomes.

Lastly, the Speaker expressed hopes that with the noble guidance of His Majesty, collective merit of Bhutanese people and the support and cooperation rendered by the Members of Parliament, the Third Session of the Parliament would come to a successful conclusion.

 $(17^{th}$ Day of the 3^{rd} Month of the Wood Male Horse Year corresponding to $16^{th}\,$ May 2014) (The Opening Address of the Speaker annexed in Annexure I)

V. FELICITATION TO THE NEW GOVERNMENT BHARATIYA JANATA PARTY

On behalf of the Parliament of Bhutan, Hon Speaker conveyed his felicitations to Bharatiya Janata Party of India led by Shri Narendra Modi, the Prime Ministerial candidate for their victory in the 16th Lok Sabha elections. The Hon Speaker also conveyed his felicitations to all other India political parties which participated in the general elections which were successfully held in a peaceful environment.

VI. REVOCATION OF THE QUESTION HOUR ON 20TH MAY 2014

The Speaker informed the House that the Question Hour of the Day was being revoked as per the Rules of Procedure 2014 since the questions were not received on time by the Office of the Secretary General. Accordingly, the House was informed that the Third Reading of the Local Government Members' Entitlement Bill will be deliberated instead of the Question Hour.

Following this, the Member from Dremetse-Ngatsang constituency submitted that it was a fact that the questions were not submitted within 48 hours to the Office of the Secretary General. However, he said that the questions were submitted after the Opening Ceremony of the 3rd Session which was held on Friday as practiced in the past. Further, he informed that the scheduled questions were for the Prime Minister on the status of the 11th Plan and achievements of its first year and on the importance of the National Language Dzongkha. The questions were also for the Minister for Information and Communications on the rights and responsibility of social media and on the issue of Indian tourist driving their own vehicles when travelling to Bhutan.

It was submitted that it was imperative for the House to reach a consensus to resolve whether or not it is permissible to submit the questions to the Office of the Secretary General before a week or a month from the sitting of Parliament. It was also submitted that, it was imperative to hold deliberations on the clause stating the 48 hour time frame as it was not well defined. Submissions were made that the future Question Hours would not see much problem as it falls within weekdays. However, directives of the House was requested to ascertain procedures if the opening ceremony of the Parliament falls on a Friday like at present and whether or not it should be permitted to submit questions before the commencement of the session.

In his clarification, the Speaker said that it was appreciated that the fact that questions were not submitted on time was acknowledged. However, he informed that the first Question Hour of the 3^{rd} Session was notacknowledgedin accordance with the National Assembly Act 2008. The Question Hours and the proceedings of the 1^{st} and 2^{nd} Sessions of the Second Parliament were conducted based on consultations as the Rules of Procedure was not endorsed during the time. The Speaker said that from now onwards in order to maintain uniformity, the proceedings of the House would be purely conducted based the Rules of Procedure endorsed in the 2^{nd} Session.

The Speaker informed that as per Section 84 of the Rules of Procedure 2014, the questions should be submitted before 48 hrs. The questions, he said were not received within 48 hrs. The Speaker said that in order to avoid inconveniences, henceforth, the time would be asserted accordance with the Act and the Rules of Procedure. He also informed that the present question hour was revoked mainly based on the Rules of Procedure.

It was informed that in the past session, three questions were accepted t the Speakers discretionalthough it was received three hours late. However, in other to strengthen the system, he said that Rules of Procedure and Acts to be complied with.

The Speaker also clarified that in order to strictly conduct the proceedings of the House, Preliminary Meeting for the 3^{rd} Session of Parliament was held on May 5, 2014. He informed the timing for the daily sittings, grouping of Ministries for the Question Hour were all presented in the draft agenda. Further the same information is also included in the Agenda and documents distributed during the registration of Hon Members on 15 May, 2014.

Further, it was clarified that as per the section Q) under the definition in the Rules of Procedure, working days excluded Sundays and Saturdays. The Speaker said that although theNational Assembly Act of 2008 specified it as 'Two Days', it has been further clarified as 'Working' Day' in the definition of the Rules of Procedure 2014. Therefore it was imperative to conduct the Question Hour sessions as per the provisions of the National Assembly Act and the Rules of Procedure.

The Speaker further informed that 42 questions were submitted in the last two sessions. In the Second Session three questions were late by three hours, however these questions were accepted and tabled in the 3rd Session after consulting the concerned Ministers.

It was informed that 27 questions from the Members of the Ruling Party and 18 questions from the Members of the Opposition Party were revoked during the 1st to 10th Session of the First Parliament by the Speaker. Moreover, 1 question by a Member of Opposition Party was not accepted because it was late by two minutes. The Speaker informed that although the Rules of Procedure was not adopted during the time, the trend of revoking questions was apparent. Hence, in order to avoid such circumstances in future, the Speaker urged the Members to comply with the Rules of Procedure and the National Assembly Act.

The Member from Panbang constituency submitted that the practice of submission of questions before 48 hours was not new. He said that the current questions were submitted after the conclusion of the Opening Ceremony of the 3rd Session which was were received at 20 minutes past 3 in the afternoon and hence as on 10 am on Tuesday, the time lapsed after submission of question was not 48 but 68 hours.

The questions were being submitted as practiced in the past and although the Speaker had the final say on the issue, it has not been specified in the Rules of Procedure that working days does not include Saturdays, Sundays and government holydays. It was further expressed that inclusion of Saturday, Sunday and Monday as the time for the submission of questions at present were valid. He also expressed that in the past, the questions could be submitted on Friday and as well as on Monday before it was actually tabled on Tuesday.

Besides, it was pointed out that a Bill could only be deliberated after three days from the introduction of a Bill by the Committee as per section 165 of the Rules of Procedure. Therefore, he expressed that there was confusion if the Question Hour sessions must be in line with the Rules of Procedure as directed by the Speaker.

Further, on behalf of the Members of the Opposition Party, he expressed disappointment on the revocation of questions despite meeting all the criteria including the time factor.

Towards this, The Speaker once again clarified that no one raised the issue during the discussion of the arrangement of the agenda in the Preliminary Meeting for the 3rd Session held on May 5, 2014.During the meeting, it was submitted that adequate time was required to go through the Budget Report after it is introduced by the Finance Minister to the

House. Following this, the Preliminary Meeting decided that the presented of the Budget Report would be made on the afternoon of June 6, 2014 which falls on Friday so that the weekend would provide time for the Members to go through the Reports.

The Speaker said, similar change in Business Order would have been effected, if the Members had pointed out, at that time that the Bills would have to be deliberated after three days after the Committee tables a Bill in the House as per Section 165 of the Rules of Procedure.

The Speaker clarified that the 1st and2nd Sessions were held in accordance with the existing system. In addition, the Speaker informed that a draft of the Rules of Procedure was already in place but could not be endorsed when he was serving as the Secretary General of the House. Further, the Rules of Procedure was passed by the House after its successive Secretaries General and the elected Members asserted on the need to have the Rules of Procedure. He added that consequently, the Rules of Procedure was adopted by the House and the section 496 (Q) clearly specifies that working day refers to the days except for Saturdays, Sundays and government holidays. Therefore, it was imperative to comply with it accordingly. The Speaker informed that his powers were not exercised as an individual but as mandated andin accordance with the relevant laws and Rules of Procedure. Therefore, the current Question Hour questions were revoked mainly because the questions were not submitted on time. The deliberations on the Question Hour concluded with the Speaker reiterating and reminding the House to comply with the National Assembly Act and the Rules of Procedure for the conduct of Proceedings and the Question Hour sessions.

VII. ANNUAL ANTI-CORRUPTION COMMISSION (ACC) REPORT 2013 AND IMPLEMENTATION OF RESOLUTION ON GRANTING HUMAN RESOURCE AUTONOMY TO ACC

The Chairperson of the Good Governance Committee presented the 7thAnnual Report of Anti-Corruption Commission (ACC) April 2013- March 2014 to the House on May 27, 2014. The report was based on the main achievements and major challenges as follows:

It was reported that, in 2013, Bhutan's ranking in Transparency International Corruption Perception Index (TI CPI) was 31st from among 177 countries, two steps above 2012 TI CPI which is Bhutan's highest since 2006. Many international organizations view ACC as a performing Commission in the region for implementing best practices such as web based assets declaration system, complaints and investigation management system. In spite of implementing 3 donor financed big Projects, the ACC has maintained Zero audit observations for all the projects. Over the years complaints received through anonymity has come down to 50%. In addition, the report presented many achievements including the National Integrity and Anti-Corruption Strategy (NIACS) and Integrity Diagnostic Tools (IDT) and Information Management System among others for Transparency, Accountability and efficient management of complaints to correct existing problems.

Further, the ACC has included 4 distinct cases of corruption in its annual report to highlight the typical corrupt practices. Although money embezzled is not of large scale, it portrays not only the prevalence of corruption but also the threat it poses to security and sovereignty of the Kingdom of Bhutan. The cases were embezzlement of compensation funds to Earthquake victims, the mishandling of government funds in the Bangkok, capital of Thailand Embassy case, Fraud and Bribery in repatriation of Indian Rupee in a financial institute and Immigration case

The House was also informed that, the ACC has not been able to investigate all cases they received on time due to inadequacy of skilled and qualified human resource and likewise, Office of Attorney General is also faced with same issue. The flaws in the system include lack of supervision, coordination and cooperation, especially amongst regulatory and enforcement agencies. Further, there is no consistency on the implementation of the court verdicts. Therefore, the ACC submits the following recommendations to address some of the major issues and challenges raised:

- i. Strengthening administrative system against corruption is seen as the key for sustainable or more effective means to control corruption collectively by agencies in the long run.
- There is a need to institute or establish mechanisms to share information and coordinate and collaborate, especially amongst regulatory and enforcement agencies. This will lead to effective, coordinated and collaborative actions against corruption.
- iii. The ACC proposed implementation of National Integrity and Anti-Corruption Strategy (NIACS) and Corruption Risk Management (CRM) across all ministries and agencies in the country.
- iv. The ACC may be allowed to pick up capable and committed senior level officers from the pool of senior civil servants on deputation with attractive incentive packages.

- v. The Ministry of Economic Affairs should review the liberalization policy of issuing trade licenses to curb and contain the rupee problems that surfaced in the financial institutions.
- vi. There is a need to strengthen the OAG in terms of adequate human resources, so that they can prosecute a large number of cases.
- vii. Fast-track tribunals to hear corruption cases may be considered at an appropriate time to improve the criminal justice system and the rule of law.

The Good Governance Committee after reviewing the report acknowledged recommendations ii, iii, iv and vi submitted by ACC. In addition the Committee made the following recommendations:

- 1. Ministries and agencies should take administrative actions on those cases returned by ACC. Depending upon the nature of administrative cases, the ACC should also take administrative actions from their end so as to enhance confidence of people in the institution.
- 2. All Ministries and agencies should collaborate, coordinate and share information to avoid apparent corrupt practices as surfaced in one of the financial institutions. The Executive Branch should issue necessary directives to concerned agencies to create a

platform or mechanism for improving collaboration and coordination.

3. Since the implementation of National Integrity and Anti-Corruption Strategy (NIACS), CRM and IDT demands time and effort on the part of implementing agencies, the ACC is recommended to develop strategies and tools that are user-friendly and focus on one or two key strategies that will address the systemic problems or flaws reflected in the report. In addition, the Committee submitted seven recommendations.

With regard to resolution 11.1 of the Second Session of the Second Parliament on the delinking of ACC from RCSC and human resources related issues, the House was informed that, the meeting could not be conducted because of the change of the Chairperson and Commissioners of the RCSC. The ACC will follow up on the resolutions with the new Chairperson and Commissioners of RCSC as soon as possible.

The House, after a thorough deliberation on the report supported and endorsed all the seven recommendations made.

On this, the member from Panbang and Dremetse-Ngatshang submitted that a method to comply with a uniform system needs to be established. They also submitted that the ACC should be allowed to observe the secret proceedings during elections. The House then voted on the issue and the submission was not approved based on majority votes.

Although the ACC have made tremendous achievement that could go down in history of our country, the act of corruption by the most trusted embassy and few security personnel, sets not only a bad example but also threatens to mar the country's image. Therefore, the House resolved that such offenses are not acceptable.

Likewise, due to lack of proper rules of procedure for the financial institution, there have been lots of corrupt practices related to trade of Indian Rupee. There is risk that the security and sovereignty of country will be compromised if corruption is a result of failure of system and policies. Therefore, House resolved to prevent such corrupt practices and also resolved corruption arising from collusion of Contractors and Civil Engineers should be stopped. The Ministry of Economic Affairs was advised to review the liberalization policy of issuing trade licenses to curb and contain the problems that surfaced in one of the financial institutions as it has huge impact on the foreign currency exchange.

The House offered wholehearted appreciation and applauded the Chairperson, Officials and all other staffs of

ACC for presenting a comprehensive Annual Report to the House. Further, the House also expressed appreciation for the efforts the Good Governance Committee had put into summarizing the report and presenting it to the House. The House further advised the ACC and the Committee to continue to work together for a successful outcome.

In addition, the House pointed out that corruption can be prevented if all the people of the country collectivelytake responsibility, accountability and work together and uphold integrity. Since prevention of corruption by instilling fear is not sustainable in the long run, the House resolved that it was imperative for the whole nation to work together to fight corruption based on trust, confidence, cooperation and integrity. The deliberation on the Annual Anti-Corruption Report concluded on May 27, 2014.

(The 29th Day of $3^{\rm rd}$ Month of Wood Male Horse Year coinciding with May 27, 2014)

VIII. PETITIONS RECEIVED FROM LOCAL GOVERNMENT

Prior to the deliberation on the 10 petitions received from the Local Governments, the Speaker informed the House that there were 35 petitions received from 11 Dzongkhags. He said that all the issues were raised by the people through Chiwog, Gewog and Dzongkhag Tshogdu and bear very important significance to the people. He said that the petitions were screened jointly by the Members during the agenda preliminary meeting held on 5th May, 2014.

It was reported that the petitions of administrative matters were forwarded to the relevant Ministries for necessary action with the directive to respond to the relevant Local Governments as per the decision of the preliminary meeting. Further, the petitions related to the Local Government Entitlements were recorded in the Secretariat which would be automatically covered while deliberating the Local Government Entitlement Bill.

The deliberation on the 10 petitions of the Local Government commenced with the caution to bear in mind the overall objectives, policies, economic conditions, security of the country for the benefit of our society.

8.1 Problems related to the repayment of Education Loan-Paro Dzongkhag

The people of Pardo Dzongkhag submitted to the government to look into the solution for the repayment of education loan. To this the Finance Minister said the government's intervention in the credit management of the banks would affect the standing norms of the banks and it would not be possible for the government to assist in mitigating this problem. However, it was reported that a total of Nu. 150 million to be disbursed Nu. 30 million

annually is earmarked for the continuation education program under the Economic Stimulus Plan (ESP).

The Ministry of Education and Ministry of Finance would jointly draw student selection criteria based on the marks obtained and job opportunity related studies and roll out the program after finalizing its implementation modalities with effect from 1st July, 2014.

To this, the Members of the Opposition Party opined that under the enlightened vision and leadership of our successive monarchs, education has always occupied important place in our development plans starting from the very first Five Year Plan (FYP). As a result, year after year, we are witnessing increasing number of students passing out of class 12. Due to the limited number of tertiary institutes in the country, many youth has to continue their studies abroad financed through bank loan secured by the parents mortgaging their lands. As a result there are many instances of failure to pay back the loan and the property are on the verge of being seized by the banks.

Therefore, the government was urged to establish as many tertiary institutes as possible within the country and also to consider reviewing the credit management policies and regulations in order to make the interest rate affordable and repayment comfortable. Further, the government was urged to increase thefunds for the education loan under the ESPwhich is currently 30 million. Incase, the government is unable to increase the fund, it was reminded that it was imperative for the government to formulate appropriate strategy in consultation with the financial institutions.

It was opined that the banks and financial institutions are profit oriented organizations which operate within the parameters of their respective rules and regulations. Therefore, the acceptance of the above fact by the Finance Minister and education loan program by the government would potentially affect the operations of banks and financial institutions.

Further, it was also suggested that Royal Monetary Authority and Ministry of Finance formulate a policy and direct the banks to compulsorily allocate 10 % of their funds to the education and agriculture sector as per the priority sector identified by the government which in turn would supplement the education loan under the ESP. It was also suggested that the Ministry of Education look into the quality of institutes and students going for further studies to meet the expectations of the people and aspirations of the youths. It was also submitted to explore the possibility of encouraging banks and financial institutions provide scholarships through tax incentives. To this the Minister for Education and Minister for Home and Cultural Affairs submitted that education till class XII is provided free of cost by munificence of our monarchs. However, for those students who are unable to continue their studies, the Government, as pledged has introduced an education loan facility under the ambit of ESP. It was reported that the government would evaluate loan applications based on the reputation of the preferred institutes and relationship between academic background and job opportunities. It was hoped that a system would soon be put in place shortly for its implementation.

In addition to the above, it was reported that the government is working on the establishment of colleges in the country and possibility of upgrading higher secondary schools to colleges. There is also a need to explore scholarship in consultations with banks and financial institutions and owners of the industries. While the education loan would be provided for those students studying in the colleges within the country it would also be provided for those fields of studies such as engineering and medical studies which are not available in the country.

The waiver of annual business income tax for the banks and financial institutions by the government to enable them to grant scholarships and the direct scholarship provided by them would tantamount to same thing. However, it was assured that the government would take note of the views and recommendations made by the House.

The House resolved that it is important to formulate comprehensive implementation guidelines for the education loan from ESP irrespective whether the Ministry of Education or Ministry of Finance implements the program. It was also urged that that government consider the recommendations made by the House for potential benefits

8.2 Public Consultation on land use for developmental activities- Thimphu Dzongkhag

The people of Thimphu Dzongkhag submitted to do away with the practice of holding public consultation on the use of land for developmental activities. In response, the Minister for Works and Human Settlements said that among the several public consultations in the pipeline it has to conduct public consultations for 13-14 hydroelectric projects. She reported that the Ministry has gained positive experience from the public consultations for the establishment of Special Economic Zones, industrial area and mining projects where the people continue to render full support for the greater benefit of the country.

The few instances of problems that have been faced recently was due to lack of understanding by the people during such consultations. The entrepreneurs in order to get the consensus of the people resort to bribery through cash handouts and the people in the area also demand cash, demonstrating bad example through such immoral act. It was reported, although, there is no explicit provision to secure individual signature and conduct public consultation in any law, it is incomprehensible as to how this practice emerged.

As the foundation of democracy is inherent in empowering the people, the public consultation also indicates the devolution of power to the people. It is specified that public consultation is imperative for the projects in the greater national interest. Therefore, it is crucial to continue the practice of holding public consultations.

In addition, the Minister for Works and Human Settlement and the Members from the ruling party said that all town plans, Local Area Plans, road construction and any other plans were made in consultation with the public and therefore they did not understand the submission made by Thimphu Dzongkhag. They said that it was important for the public to understand that public consultation on any plan is an important element in a democratic system. The implementation of any projects without having to conduct public consultations would entail problems in the future. It was questioned if the agenda from Thimphu Dzongkhag was submitted in consultation with the public or not. If the agenda was raised without public consultation it would entail problems in the democratic system and therefore, it was recommended that the agenda be withdrawn. Further, the members submitted that a resolution stating that public consultations should be carried out before starting any new project be passed by the House.

To this the Members from the Opposition Party said that the issue was raised after consultation with Dzongkhag, Gewog and relevant people. They submitted that a system of obtaining consent from 80 % of the total households in the community or town area should be initiated. This would facilitate the start of new projects because sometimes a project gets stalled due to the objection of a few handful of people. Further, this would also benefit in securing the necessary grants for the project.

It was submitted that irrespective of the existing system, the main problem rests in securing public clearance at the beginning of a project and additional clearance in the event the project had to be continued. Some go from door to door to get public clearance which would benefit only few individuals. In some instances, coercion and fear tactics are being deployed in obtaining public clearance, which if not prevented now would cause problems to the projects benefiting nation and society in the future. Therefore, it is imperative to establish a proper system.

The House was reminded of the need for public consultation for any government projects and community development in line with the Section 414 to 416 under Chapter 25 of the Rules and Regulations of the Local Government. The House through raise of hands not only resolved that it is imperative to hold public consultation in any projects but also directed the relevant Ministries and agencies to bear in mind the recommendations submitted by the Members.

8.3 Transfer of Census without Land holding- Thimphu Dzongkhag

The people of Thimphu Dzongkhag submitted to allow the transfer of census even if one does not have any land holdings. In response, the Minister for Home and Cultural Affairs explained about the provision of the Census Guidelines 1993 to the House. He said that as per the guidelines, a census can be transferred on two grounds. One to transfer census from one Gung to another and two to create separate Gung from a Gung with Sathram in which case it is mandatory to have land holdings. The free transfer of census would not only impair the security and sovereignty of the country but also impede development activities in the Dzongkhag and Gewogs. Further, there is

also danger of foreigners transferring the census in order to immigrate into the country. Therefore, it is crucial for the Members carefully to examine the matter. The Minister submitted that census can be transferred, if one can produce documents of respective place of domicile and evidence of land ownership.

The Members of Opposition Party submitted that the Constitution provides that a Bhutanese citizen shall have the right freedom of movement and residence within Bhutan. They opined that if the transfer of census in the place of domicile is allowed as per the above provision, it would provide opportunities such as voting rights and access to infrastructural development activities. They also submitted to explore possibility of developing a system providing a census to those people who reside by buying apartments.

In response, the Minister for Home and Cultural Affairs submitted that, the Ministry would study the matter in consultation with the relevant agencies and submit a report thereof in the fourth session. It was also submitted that if one do not have land holdings in the place of domicile, it results into lots of problems in even availing a bank loan. Therefore, it was submitted to allow census registration to be made according to individual preference. The House through show of hands resolved not to allow census registration without land holdings.

8.4 Reinstate *Tsamdro/Sokshing* in the individual owner's name or reduce the lease rate of *Tsamdro-* Thimphu and Lhuntse Dzongkhag

The people of Thimphu and Lhuntse Dzongkhag submitted that the *Tsamdro/Sokshing*be reinstated in the individual owner's name or for the reduction of the lease rate of *Tsamdro*.

In response, the Minister for Agriculture and Forest reported that the provisions pertaining to the *Tsamdro* and Sokshing in the Land Act, 2007 has so far not been implemented. He said that a procedure has been developed to implement the provision and is ready for implementation. He reported that a study has been carried out and submitted to the Cabinet on topography of the Sokshing and and Tsamdro related land which is expected to be implemented with effect from financial year 2014-2015. He assured that the implementation of Land Act would be accentuated henceforth and the lease rate of Nu. 40 per acre for Tsamdro would also be reviewed and the possibility of lowering the lease rate explored. A Member from the ruling party also seconded the submission for implementation of the Land Act and reduction of Tsamdro lease rate.

To this, the Members from the Opposition Party opined that matters related to the Land Act have been raised in the past as well and the problems thereof persisted thus far. They suggested making the provisions of the Act workable without having to amend the Land Act. Further, the determination of *Tsamdro* lease rate and period of the lease depending upon the altitude of the *Tsamdro* would greatly benefit the people dependent on the cattle rearing.

It was submitted that the *Tsamdro* is the source of their livelihood for the people living in high altitude. Due the lack of *Tsamdro* ownership by highland people they are facing lots of problems compelling them to dispose their cattle and even resort to resettlement. If the people resettle in other places away from the border areas in the north, it would pose security threat. Therefore, it was submitted that, it is crucial for the House to develop alternatives and provide support to the people living in the high altitude.

The House resolved and directed the Ministry of Agriculture to expedite the initiatives undertaken by the Ministry on this issue and bear in mind the views of the House while reviewing the lease rate and implement accordingly.

8.5 Increase Land Tax- Mongar Dzongkhag

On the submission of the people of Mongar Dzongkhag to increase the land tax, the Finance Minister said that the system of land and cattle tax collection has not been reviewed since 1992. He also reported that, the National Land Commission is in the process of reviewing it. The agenda pertains to the interest of the entire nation and it is important to consult the people of all the twenty Dzongkhags. It was submitted that the agenda submitted by the people of Mongar Dzongkhag would be covered in the ongoing review of the land and cattle tax collection system by the government.

To this, the Members from the Opposition Party opined that if the land and household tax in the Gewogs are increased, it would reduce the rural urban migration and enable the Gewogs to mobilize the funds in financing the activities in the Gewogs. One of the Members suggested to provide agricultural subsidy and facilities to encourage agricultural activities rather than increasing the land and household tax.

The Finance Minister and a Member from ruling party suggested to conduct consultation with all the Dzongkhags on this issue before making any decisions based on the submission of one Dzongkhag. They submitted to collect the views of the people during the constituency visits and present a report thereof in the Fourth Session. They said that it would be appropriate to discuss this issue with the report on the land and cattle tax in the urban areas being reviewed currently. The House through show of hands decided not to increase the land tax.

8.6 Reduction of the government tax on tourists visiting remote Dzongkhags-Mongar Dzongkhag

The people of Mongar Dzongkhag submitted to reduce the government tax for tourists visiting remote Dzongkhags to promote tourism. The Finance Minister supported the submission of people of Mongar Dzongkhag to reduce the daily tourist royalty of USD 65 in order to promote the balanced tourism development in the eastern Dzongkhags.

He said that the among the various balanced regional development objectives, one of the direct strategy is to promote tourism in the eastern Dzongkhags. It was reported that the government has pledged to send at least 20 % of the total tourists to eastern Dzongkhags. The House was also informed on the total tourist arrival in the year 2013.

It was submitted that the less number of tourists visiting eastern Dzongkhags is attributable to the transportation problem. In this connection, the government has initiated widening Thimphu-Trashigang highway and making Yongphula airstrip safer. Moreover, in order to enhance tourist motivation and attractions, the regional cultural aspect such as Tshechus would be enhanced. It was also reported that bird watching, botanical tourism and rafting would be promoted. It was informed that a tax holiday for 15 years has been granted for those willing to construct three star and above hotel in the east. It was also reported that of the total cost of hotel renovation and extension, 75 % will be granted as a tax deductible component and the tax exemptions are also granted for the fixtures and furniture thereof. As the Tourism Council of Bhutan has the ultimate authority on the tourism policy and procedures, the agenda from Mongar Dzongkhag would be tabled in the meeting with the Tourism Council of Bhutan.

A Member from the Opposition Party opined that there is very limited number of tourists visiting eastern Bhutan due the long journey by road and high airfare for the Paro to Yongphula sector. They submitted that it would be beneficial if the government consider reducing the daily royalty tariff for visiting eastern Dzongkhags. As the promotion of balanced regional development is a government policy, the Member from Drametse-Ngatsang constituency suggested the matter be studied jointly by the Ministry of Economic Affairs and the Tourism Council of Bhutan which was endorsed by the House through show of hands.

8.7 Need to Draft an Alcohol Bill- Mongar Dzongkhag

The people of Mongar Dzongkhag submitted that there is a need to draft an Alcohol Bill. While deliberating on this

issue, the Minister for Economic Affairs informed the House on the magnitude of ill effects of alcoholism. He said that despite alcohol being very integral part of our culture, the government has continuously developed strategies to contain alcohol consumption since 1951 through control of bar licenses and increase of taxes on alcohol products.

Moreover, if the National Policy and Strategic Framework to Reduce Harmful Use of Alcohol developed by the Ministry of Health is implemented, there is no need for a separate Alcohol Bill. The formulation of Alcohol Act would result into similar problems like Tobacco Act. It was opined that the education and awareness on the ill effects of alcohol would be of more benefit than the formulation of an Alcohol Act.

Similarly, the Minister for Labor and Human Resources and a Member from the ruling party submitted to explore an alternative in place of using alcohol in our religious and cultural practices. They also opined that it is imperative for the relevant ministries and agencies to accentuate on raising education and awareness regarding the negative impact of alcohol consumption.

Therefore, the House through the show of hands resolved not to formulate an Alcohol Act.

8.8 Construction of Gorgan-Shingkhar Road- Lhuntse Dzongkhag

The people of Lhuntse Dzongkhag submitted to continue the construction of Gorgan-Shingkhar road in the 11th Plan. The Minister for Works and Human Settlement while responding to the submission said that the Gorgan-Shingkhar road is about 55 km long and more than 20 km of farm road has been constructed from Lhuntse and about 30km remained to be constructed.

The Minister reiterated that it is a government policy to shorten the length of highways as much as possible. In view of the difficulties the commuters face while travelling through Thrimshingla, the people of Lhuntse and Bumthang submitted for the construction of Gorgan-Shingkhar road in 2005 during the 84th Session of the National Assembly. After its deliberation in the House, it was incorporated in the 20 Year Road Master Plan and was prioritized to be constructed in 2000- 2027 which however could not materialize.

Further, it was discussed during the mid-term review of the 10th Five Year Plan and was subsequently approved during the 108th Cabinet meeting in 2011. Therefore, as the proposed road passed through the wild life sanctuary, the Department of Roads after proper survey decided to

construct the road with minimum ecological impact in line with the approval of the Cabinet. However, the work had to be stalled due to the cancellation of the environmental clearance by the Department of Forest.

While the Department of Roads calculated the distance, it was found that Gorgan-Shingkhar road will be almost 100 km shorter compared to the Ura-Lingmethang road which would bear immense national benefit. Therefore, the House was urged to consider the matter affirmatively.

In addition, the Minister for Information and Communications and the Members from the ruling party asserted that this road would not only benefit the people of two Dzongkhags but also result into great national benefit in general and the people travelling to the east in particular. It was reported that the current distance between Bumthang and Lhuntse is 340 Km and with the construction of Gorgan-Shingkhar road the distance would be shortened by almost 103 Km reducing travelling time by hours.

Further the construction of this road would help in motivating the civil servants and retaining them in the Dzongkhags. As there is possibility of constructing the road with minimum environmental impact through middle path approach, the House is urged to endorse the road construction. To this, a Member from the Opposition Party, on behalf of the people of Lhuntse expressed appreciation to the House for supporting the continuation of Gorgan-Shingkhar road.

The House resolved to continue the construction of Gorgan-Shingkhar road with minimum environmental impact in consultation between the Ministry of Works and Human Settlement and Ministry of Agriculture and Forests.

8.9 Compensation for private land affected by the construction of farm roads-Mongar Dzongkhag

Responding to the submission of the people of Mongar Dzongkhag on the compensation for the private land affected by the construction of farm roads, the Minister for Agriculture and Forest said that farm construction is mainly aimed at the benefit of the people in the rural areas and the farm roads are constructed according to the Farm Road Construction Guidelines. He said that there is no practice of providing compensation in the construction of farm roads. He said that the guideline provides that the farm roads be constructed through the government land without affecting the peoples land and houses.

He said that the guideline also specifies that farm road should be constructed without affecting the people with large family members and single mother households. As there was no practice of paying such compensation in the past, it was reported that no compensation can be paid henceforth as well.

The Members of the ruling party said that problems of not receiving compensation in the construction of farm road are prevalent in all the Dzongkhags. For instance in Toebisa village a household has lost about 60 decimals. It was opined that the farm road construction take place only upon the approval of the people in the community and the power to allocate land for constructing the road rests with the people themselves, therefore, there is no possibility of providing compensation but to continue the road construction in line with the Road Act.

To this, the Members from the Opposition Party, said that a person who owns less that 2 acres of land is entitled for land substitution if more than 10 decimal of the individual's land is used for road construction. They submitted that it was therefore imperative for the government to study such issues. Incase such individuals were not eligible for land compensation, they urged the Ministry to develop a mechanism for seeking Kidu in case of loss of land in the process of construction of roads in Dzongkhags and Gewogs. The House resolved that as practiced in the past, land compensations would not be made due to loss of land due to construction of farm roads.

8.10 Land Compensation for Private Land falling within the Manas Wild Life Sanctuary Biological Corridors

The people of Pemagatshel Dzongkhag requested for the land compensation for private land falling within the Manas Wildlife Sanctuary Biological Corridor. In response the Minister for Agriculture and Forest reported that land compensation has been given to 130 households and also to another 6 households in consultation among the Ministry for Agriculture and Forest, Dzongkhag, Dungkhag and National Land Commission. In addition to the above, 55 households also claimed that they lost land to the corridor and the petition thereof is submitted to for the compensation. Therefore, the National Land Commission is in the process of reviewing the applications submitted to the Ministry.

The Member from the Constituency concerned submitted that the previous 130 households which the land compensation fell under the Manas Wild Life Sanctuary and the present 55 households falls under the Nganglam town and they have submitted their application to the relevant Ministry. It was stated that no relevant laws or the Constitution provides for the requirement of a biological corridor. Further, the Chairperson of the Environment and Urban Development Committee of the National Assembly affirmed the problems faced by the people of 55 households.

The Member from Panbag Constituency submitted that Biological corridor must be maintained where there is a need. However, he said that the current agenda do not warrant to be labeled as Biological corridor. He suggested providing additional infrastructural development fund where the whole Gewog forms part of the sanctuary. He also urged the Ministry of Agriculture and Forest to develop a guideline allowing the use of forest and nonforest resources.

The House urged the Ministry of Agriculture and Forest to bear in mind the recommendations and views expressed by the Members and continue working towards expeditious mitigation of the problems facing the people. The deliberation on the petitions received from the Local Government concluded with the House expressing its satisfaction for the substantive deliberations on the issues of Local Governments.

 $(30^{th}$ Day of the 3^{rd} Month of the Wood Male Horse Year corresponding to 28^{th} May, 2014).

IX. REPORT ON THE INCLUSION OF GEWOG ADMINSITRATIVE OFFICERS (GAYDRUNG) IN THE CIVIL SERVICE OR THE LOCAL GOVERNMENT

The deliberations on whether or not Gaydrung should be included in the Local Government Members Entitlement Bill were extensively held on 19th May 2014. Towards this, the Minister for Home and Cultural Affairs was directed to hold consultations with the Royal Civil Service Commission to look into the possibility of including Gaydrungs in the civil service. It was resolved that a report thereof should be presented by the Minister for Home and Cultural Affairs during the deliberation on the Pay Revision Report.

Accordingly, after holding consultations with the Royal Civil Service Commission, the Minister for Home and Cultural Affairs presented the three recommendations made by the Commission as follows:

1. It was recommended that the Gyadrungs could not be incorporated in to the civil service as the Civil Service Act and the government policy mandated compact and efficient civil service with less number. Moreover, the number of civil servants had drastically increased as compared to the past.

- 2. It was informed that the Civil Service Commission would soon review the working mechanism of civil servants working in the Gewogs. It was also informed that at present, it was learnt that the Gewog Administration Officers and Accountants did not have adequate works in hand. Further, it was informed that if it came out factual that the Gewog Administration Officers and Accountants did not have adequate work in hand, they would be entrusted with the responsibilities of Gaydrungs. It was therefore recommended that the need for Gaydrungs was not necessary.
- 3. Thirdly, it was recommended that since not all the Gaydrungs possessed the qualification of class 12 and even if they did, the Royal Civil Service Commission does not have the authority to directly recruit them.

Deliberating on the recommendations, most of the Members submitted that Gyadrungs were vital in the Local Government offices and that they had many responsibilities to shoulder. It was also submitted that the institution of Gaydrungs were not new and it bears the attributes of old customs. Therefore, it was submitted that if possible, the Gaydrungs should be either incorporated in the civil service or retained on contract basis. Towards this, the House expressed that the institution of Gaydrungs was old and the works of the Local Governments were increasing. Therefore the Ministry of Home and Cultural Affairs and the Royal Civil Service Commission was directed to work together to reach a solution as per the plans of the Royal Civil Service Commission to review the working mechanism of Local Governments. Further, it was resolved to include the concerns of Gaydrungs in the Local Government Bill 2014, which was being deliberated at present and hence the issue should be addressed by the Act. It was also hoped that the Members would render support in providing the Gyadrungs with reasonable benefits while deliberating on the pay scale for the civil servants.

X. PAY REVISION REPORT

The Finance Minister presented the report on the Pay Revision of the public servants based on the recommendations made by the Pay Commission. He informed that the revision was based on the current economic conditions of the country, issue of affordability and future sustainability and challenges. The government has therefore proposed a revision of 25% for most position levels and 19 % for higher position levels. A 20 % housing allowance for all civil servants and the gratuity ceiling has been revised from Nu. 900,000 (nine lakhs) to 1,500,000 (fifteen lakhs).

He reported that in addition, difficulty allowance for civil servants have also been revised while there are no change in the professional allowance for teachers, health clinical staff, and auditors under Royal Audit Authority and officials under Anti-Corruption Commission.

He informed that the pay for the Members of the Parliament and Holders of Constitutional offices have also been revised for an efficient and viable democratic system in the country. The pay for the Local Government functionaries have also been revised from 36 % to 40 % and their annual lumpsum allowance for travel has been revised from 100% to 200 %. The pay for general support personnel (GSP) and Elementary Service Personnel (ESP), Non Formal Education Instructors, consolidated contract teachers, and employees who do not receive retirement benefits, who do not have opportunities for promotion and other benefits have also been revised.

The Finance Minister said that a pay commission was established as per the Constitution for the purpose of pay revision. The pay commission was given the task to look into;

a. The introduction of housing allowance for civil servants;

- b. Revising the salary and other benefits of Local Government officials;
- c. Introducing rural posting allowance for civil servants especially teachers;
- d. Reviewing the foreign service entitlement rules;
- e. Reviewing the feasibility and implication of discontinuing the government pool vehicle system and replacing with a system of allowance;
- f. Lifting the vehicle quota for civil servants and alternative thereto; and
- g. Reviewing the recommendations of the first parliament with regard to the revised pay scale for the Prime Minister and Ministers.

He informed that the Pay Commission report submitted to the government on 12 March 2014, had recommended a 20 % increase in the salary of the civil servants after merger of the existing lump sum salary allowance, monetization of the tax free vehicle quota system and doing away with the government pool vehicle system. The government after careful review of the recommendations and proposed as follows:

Prime Minister and Cabinet Ministers

The pay scale for the Prime Minister has been revised by 131% while the pay for the Speaker, the Chief Justice of Bhutan, Cabinet Ministers, Chairperson of the National

Position Levels	Existing			As Per resolution of First Parliament		
	Min.	Incr.	Max.	Min.	Incr.	Max.
Prime						
Minister	78,000	1,560	85,800	180,000	3,600	198,000
Speaker of						
NA	78,000	1,560	85,800	130,000	2,600	143,000
Chief Justice						
of SC	78,000	1,560	85,800	130,000	2,600	143,000
Cabinet						
Ministers	78,000	1,560	85,800	130,000	2,600	143,000
Chairperson						
NC	78,000	1,560	85,800	130,000	2,600	143,000
Opposition						
Leader	78,000	1,560	85,800	130,000	2,600	143,000

Council, Leader of the Opposition has been increased by 67 % based on the resolution of the 6th Session of the First Parliament.

Members of Parliament

The pay scale for the Deputy Speaker of the National Assembly and the National Council was increased by 19% at par with the holders of constitutional post offices and the members of the parliament was increased by 21 %.

Note: The lump sum allowance of Nu. 5, 045 paid to the Members of the Parliament, High Court Drangpons and Government Secretaries has been merged with the basic salary.

Position Levels	Existing			As Per resolution of First Parliament			
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Dy Speaker of NA and Dy. Chairperson of NC	63,000	1,260	69,300	75,160	1,505	82,685	
Members	50,445	1,010	55,495	65,930	1,320	72,530	

Holders, Members and Commissioners of Constitutional Bodies

The pay scale of the holders of the Constitutional Offices, Members and Commissioners have been revised by 19 %.

Position Levels	Existing			As Per resolution of First Parliament		
	Min.	Incr.	Max.	Min.	Incr.	Max.
Holders	63,000	1,260	69,300	75,160	1,505	82,685
Members/ Commissioners	50,445	1,010	55,495	60,030	1,200	66,030

Constitutional Post Holders under Judiciary

For the Judiciary, the pay scale of Drangpons of Supreme Court and High Courts has been revised by 19 % and 21% respectively. The pay scale for the Chief Justice of the HighCourt has been fixed at 5% above that of the revised pay scale of the Drangpons of the High Court.

Position Levels		Existing		As Per resolution of First Parliament			
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Drangpons of SC	63,000	1,260	69,300	75,160	1,505	90,210	
Chief Justice of HC	63,000	1,260	69,300	69,225	1,385	83,075	
Drangpons of HC	50,445	1,010	55,495	65,930	1,320	79,130	

Privy Council

The pay scale for the Chairman of the Privy Council has been kept at par with the Cabinet Ministers and the pay scale for the Council Members have been revised by 19 % at par with the Commissioners of the Constitutional Offices.

Position Levels		Existing		As Per resolution of First Parliament			
	Min. Incr. Max.			Min.	Incr.	Max.	
Chairman	78,000	1,560	85,800	Equivalent to Cabinet Ministers			
Council Members	50,445	1,010	60,545	60,030	1,200	72,030	

Attorney General

It was reported that the pay scale for the Attorney General is revised at par with the pay scale of the Holders of Constitutional Offices.

Position Levels		Existing		As Per resolution of First Parliament		
	Min.	Incr.	Max.	Min.	Incr.	Max.
Attorney General	63,000	1,260	69,300	75,160	1,505	82,685

Civil Service

In addition to the 20% housing allowance to all the civil servants, their pay scale has been revised by 19% at the EX/ES position level, 21% at the professional level, 23% at the Supervisory and Support level and 25% at the Operational and GSP level including the existing lump sum salary allowance.

Position Levels	Existing			As Per resolution of the First Parliament			Fixed HRA	Increase in Pay Scale
	Min.	Incr.	Max.	Min.	Incr.	Max.		
EX/ES-1	45,860	915	59,585	54,575	1,090	70,925	10,91 5	19%
EX/ES-2	38,475	770	50,025	45,785	915	59,510	9,155	19%
EX/ES-3	32,520	650	42,270	38,700	775	50,325	7,740	19%
P1	25,610	510	33,260	30,990	620	40,290	6,200	21%
P2	22,620	450	29,370	27,370	545	35,545	5,475	21%
P3	19,830	395	25,755	23,995	480	31,195	4,800	21%
P4	17,660	355	22,985	21,370	425	27,745	4,275	21%
P5	14,460	290	18,810	17,495	350	22,745	3,500	21%
S1	13,305	265	17,280	16,365	325	21,240	3,275	23%
S2	12,055	240	15,655	14,830	295	19,255	2,965	23%
S 3	11,015	220	14,315	13,550	270	17,600	2,710	23%
S4	9,775	195	12,700	12,025	240	15,625	2,405	23%
S5	9,045	180	11,745	11,125	225	14,500	2,225	23%
01	8,505	170	11,130	10,725	215	13,950	2,145	25%
O2	8,060	160	10,460	10,075	200	13,075	2,015	25%
03	7,325	145	9,500	9,115	185	11,930	1,830	25%
04	6,805	135	8,830	8,505	170	11,055	1,700	25%
GSP								
GSP-I	6,465	130	8,415	8,080	160	10,480	1,615	25%
GSP-II	6,155	125	8,030	7,695	155	10,020	1,540	25%

Cabinet Secretary and Government Secretary

The pay scale for the Cabinet Secretary has been revised by 19 % and maintained at par with that of the Holders of the Constitutional Bodies, Deputy Speaker of the National Assembly, Deputy Chairperson of the National Council and Drangpons of the Supreme Court. The pay for the Government Secretaries have also been revised by 21 % maintained at par with that of Members of Parliament and Drangpons of High Court.

Position Levels		Existing		As Per resolution of First Parliament			
	Min.	Min. Incr. Max.			Incr.	Max.	
Cabinet Secretary	63,000	1,260	69,300	75,160	1,505	82,685	
Attorney General	50,445	1,010	55,495	65,930	1,320	72,530	

Non Civil Service

General Service Personnel (GSP) and Elementary Service Personnel (ESP)

The pay scale for GSP I and II has been revised by 25% and the consolidated pay for ESP by 40%.

Position Levels		Existing		As Per resolution of First Parliament			
	Min.	Incr.	Max.	Min.	Incr.	Max.	
GSP-I	6,465	130	8,415	8,080	160	10,480	
GSP-II	6,155	125	8,030	7,695	155	10,020	
ESP		5,000			7,000		

Non Formal Education (NFE Instructors)

The salary of NFE instructors has been revised by 40 % from Nu 6000 to Nu. 8400 per month.

Consolidated Contract (mainly Teachers)

The salary of consolidated contract employees is revised by 40 % from Nu. 10,000 to Nu. 14,000 per month.

Royal Academy of Performing Arts (RAPA)

The pay scale for RAPA artistes have been mapped with equivalent position levels in the civil service and revised in the range of 23% to 25% while their gratuity ceiling will be as per the civil service.

Local Government

For the Local Government functionaries such as Gups and Mangmis the salary has been revised by 39 %, Gaydrungs by 36 % Tshogpas by 40 % and the Thrompon by 19 % maintained at par with EX/ES II position levels in the civil service.

Position Levels	Existing			As Per	% Increase		
	Min.	Incr.	Max.	Min.	Incr.	Max.	
Thrompon	88,475	770	42,323	45,785	915	50,360	19%
Gup		13,355			20,000		39 %
Mangmi	10,765			15,000			39%
Geydrung		9,570			13,000		36%
Tshogpas		5,000			7,000		40%

Allowances and Benefits

The Finance Minister presented in detail on issues relating to the vehicle quota for the civil servants, government pool vehicles, salary based allowance, Retirement benefits, gratuity, early retirement scheme and lump sum grant for purchase of vehicles. He said that the financial implication of the pay revision is maintained at the same level of Nu. 1.799 billion as estimated by the Second Pay Commission. However, from the second year onwards the annual cost implication will be lower by Nu. 283 million which is 16 % as compared to the Second Pay Commission, mainly on account of lesser cost for pension and provident fund contribution, other pay scale based allowances and benefits.

He said that the take home pay for the Civil Servants would be higher by 9% on an average as compared to the Second Pay Commission recommendation mainly due to the consideration of the 20% house rent allowance for all the civil servants instead of the higher pay scale revision recommended by the Second Pay Commission.

The pay revision is expected to be financed through cost cutting measures and additional revenue from sources like Chhukha power tariff revision, additional PIT from salary increase, tax revenue from change in the vehicle quota system and other fiscal measures. Further, fixing of all the salary based allowance at the minimum of the revised pay scale will curtail the wage bill growth in future to some extent.

He also informed that the pay revision would be effective from 1 July, 2014 as per the announcement of the Ministry of Finance.

In conclusion, the Finance Minister said that despite the country going through difficult economic times, the pay revision for the civil servants was possible due to the blessings of His Majesty the King and the Fourth Druk Gyalpo. He expressed his hopes that the pay revision would benefit the civil servants.

 $(1^{st}\ Day$ of the $4^{th}\ Month$ of the Wood Male Horse Year corresponding to May 29, 2014)

10.1 Deliberation on the Pay Revision Report 2014

During the deliberation on the Pay Revision Report submitted by the cabinet on 30May, 2014 some of the Members submitted that the pay revision for civil servants be discussed first and that the revision for the Members of the Parliament be discussed while deliberating the Parliamentary Entitlement Bill. However, the House decided to discuss the pay revision in accordance with the Pay Revision Report.

Some Members pointed out that there was substantive difference between the pay scales of the Cabinet Ministers, Members of the Parliament and the Civil servants. Doubts were also raised that the pay scale for the Cabinet Ministers were not in line with the fundamentals of the Pay Commission.

Regarding this, the Finance Minister clarified that the pay scale for the cabinet ministers were fixed based on the resolution of the 6th Session National Assembly of the First Parliament and that the government did not make any changes. He said that the House had the authority to decide whether to uphold the resolution of the 6th Session of the National Assembly of the First Parliament. Accordingly, the House voted in favor to discuss the Pay Revision Report submitted by the Government and not on the Pay Commission Report.

The Prime Minister also reiterated that the pay scale for the Cabinet Ministers and the Prime Minister were based on the resolution of the 6^{th} Session of the National Assembly of the First Parliament. He said that, since the government did not have the authority to change the resolution passed by the National Assembly, it has been submitted to the House for deliberation and finaldecision. He also submitted that the pay scale for the Prime Minister be fixed at par with the Cabinet Ministers or be fixed 1 Nu higher than the other cabinet ministers as a tokenism if they wanted to maintain a different scale.

In response, many of the members submitted that considering the responsibilities of the Prime Minister, it was imperative for the pay scale of the Prime Minister to be higher than that of the Cabinet Ministers. It was pointed out that although the pay revision for the civil servants have been indicated to be about 19% to 25%, considering that the salary allowance have been merged with the existing pay, the actual increase worked out to be only about 6% to 8%. However, the price of consumer goods have increased by 11 %. Therefore, it was submitted that the rise in price of goods also be taken into consideration.

Moreover, one of the incentives of working as a civil servant was the perks of receiving vehicle quota. Members said that it was not fair on the civil servants to monetize the vehicle quota to about Nu. 160, 000. Therefore, they submitted that the grant of vehicle quota be either retained or the amount of monetized money be increased. Further, Members raised that the vehicle quota for the Cabinet Ministers was not in line with the Parliamentary Entitlement Act.

The House democratically deliberated each section of the Pay Revision Report and accordingly voted on it. The House supported many of the recommendations made by the report while some sections of the report were not passed, new sections were also included and some issues were directed back to the Finance Ministry as follows:

- 1. The House resolved that the Finance Ministry should look into the possibilities of increasing the pay from time to time, for the General Support Personnel and Elementary Support Personnel.
- 2. The House resolved to increase the salary of the Community based teachers by 40 % at par with those of the consolidated contract employees mainly contract teachers.
- 3. The House directed the Ministry of Finance to look into the possibilities of paying the Human Resource Auditors an allowance of 20 % similar to those of internal auditors.
- 4. The House resolved that the travel allowance and the daily allowance for the Gaydrungs and Tshogpas in the

Local Government be decided by the Ministry of Finance if feasible.

- The House also directed that the vehicle quota for civil servants be reviewed in detail and submit a report in the 4th Session.
- 6. Since there is no proper report or study carried out on the government pool vehicles, the House did not decide on the withdrawal of government pool vehicles.
- 7. The House resolved to increase the lump sum grant for purchase of vehicles to the Members of the Parliament from Nu. 700,000 (seven lakhs) to Nu. 1, 000,000 (one million) as proposed, however, the grant did not apply to the cabinet ministersas per the Parliamentary Entitlement Act. Therefore, the House decided to discuss the grant to the cabinet ministers while discussing the Parliamentary Entitlement (Amendment) Bill 2014.

The House deliberated the Pay Revision Report submitted by the government in detail and passed the report. The Speaker commended the members of the Pay Commission, employees of the Finance Ministry and the Cabinet Minister for their hard work and timely submission of the report to the National Assembly.

He also said that it was important for the public to understand that the pay for the members of the Parliament have been revised considering their huge responsibilities and should not feel that the Members are only interested in increasing their pay. He also expressed his hopes that the pay revision granted by the government will benefit everyone. Further, he hoped that with the establishment of many big projects in the country, the government will not only be able to revise the pay but also improve essential public services as desired by the people.

The deliberation on the pay revision report concluded on May 30, 2014.

 $(2^{nd}\ Day$ of the $4^{th}\ Month$ of the Wood Male Horse Year corresponding to May 30, 2014)

XI. ANNUAL BUDGET REPORT FOR THE FINANCIAL YEAR (FY) 2014-15

The Finance Minister presented the Annual Budget Report for the FY 2014-15 to the National Assembly on the 8th Day of the 4th Month of the Wood Horse Year corresponding to June 6, 2014. While presenting the report, the Finance Minister said that it was imperative for the House to deliberate thoroughly on Budget Report prepared by the Government for the socio-economic development of the country to provide check and balance.He informed that the FY 2013-14 has witnessed tremendous policy reforms to reinvigorate the economic growth. As promised, the Gewog Development Grant of Nu. 2 million for each Gewog has been granted and under the Economic Stimulus plan Nu. 2.1 Billion have been released to the Financial Institutions in Bhutan. He expressed his hope that these will benefit thesocio-economic development and basic infrastructure development. He said that the budget for FY 2014-15 has been prepared to rationalize expenditure and that the total deficit has been kept at manageable level. The Annual Budget Report 2014-15 was presented under nine different Chapters as follows:

Annual Financial Statement

The Financial Year 2013-14 had an approved budget outlay of Nu. 33, 486.239 million against an estimated resources of Nu. 31,891.042 million. The fiscal deficit amounted to Nu.1,595.197 million and the resource gap was Nu.670.431 million.By the end of the fiscal year, the actual outlay was Nu.34,900.809 million and the resources realized was Nu.30,656.117 million with a fiscal deficit of Nu.4,244.692 million (4% of GDP) and a resource gap of Nu.3,752.386 million (3.6% of GDP). He submitted to refer to Table 1.1 in the Budget Report Book, in order to view the statement optimized budget with that of actual outcome and financing of the balances.

Past Macro Economic Performance

The economy grew by 4.2% in FY 2012-13, compared to the growth of 6.5% in the previous year. This small growth

he said was because of thelow performance in transportation and storage, finance and insurance sector and community and social services due to restriction of loans for vehicle import and construction. In terms of sectoral growth, agriculture sector registered a growth of 2.6%, the industry sector at 4.4% and the service sector at 2.3%. On average, the inflation in the economy was 8.7% at the end of FY 2012-13 against an average of 10.12% in the FY 2011-12. It was reported that at the end, inflationin 2013 was 11.3% indicating an inflationary pressure in the economy.

As per the Labour Force Survey, 2012, unemployment rate was reported at 2.1% while youth unemployment was more acute in the urban areas. Youth unemployment of 7.3% is a socio-economic challenge for the Government.

At the end of FY 2012-13, the actual fiscal deficit was 4.1% of GDP as compared to 1.1% in the previous year. The total government debt outstanding *(internal and external debt)* as on 30th June, 2013 wasNu.101,310.193 million, which is about 97% of GDP. Out of the total external debt, Rupee debt constituted about 64%, majority of which were on account of the hydropower projects (72.1%).

The current account deficit widened to 25% of GDP from 24% in FY 2011-12. Increased hydropower exports

improved the trade deficit from 21% in FY 2011-12 to 19% of GDP. The capital account improved from 5% of GDP to 14% of GDP during the FY 2012-13. The sector contributions to GDP during the FY 2011-12 to FY 2013-14 can be viewed in table 2.1 of the National Budget Report. Further information can also be viewed on Fiscal Balance in table 2.2, Balance of payments in table 2.3 and key monetary indicators in table 2.4 of the Budget Report.

Revised Budget Estimate for FY 2013-14

The Finance Minister reported that the FY2013-14 had an approved budget outlay of Nu.34,215.836 million. The fiscal deficit was estimated at 3.7% and resource gap to be 3.8% of GDP.During the year, thebudget was revised to Nu.37,773.340 million due to incorporation of the GoI grant for Economic Stimulus Plan (ESP) in addition to some other external fund. With these revisions, estimated fiscal deficit and resource gap as of 31st March, 2014was revised at 3.96% and 3.9% of GDPrespectively. The details of the revised budget summary for FY 2013-14 can be viewed in Table 3.1 of the Budget Report.

Budget Estimate for the FY 2014-15

The Finance Minister reported that the Budget for the FY 2014-15 have been formulated based on priorities of the 11th FYP. He said that due consideration have been given to minimize adverse impact on socio-economic situations,

inflation, balance of payments, foreign exchange reserves, etc while ensuring to accommodate the priorities of all the agencies. The capital budget ceiling for the fiscal year was set at 18% of the 11thFYP outlay.In order to complete ongoing works, priority has been accorded for allocating capital budget for the spill-over works and Nu.410 million and Nu.124.71 million has been allocated for Gewog Development Grant and for programs under the Economic Stimulus Plan respectively.

He reported that the total resource for the FY 2014-15 is estimated at Nu.31,959.263 million comprising of domestic revenue of Nu.24,599.032 million and external grants of Nu.7,360.231 million. The domestic revenue for the FY 2014-15 is projected at Nu.24,599.032 million, is an increase of 12.5% from the previousyear. Of the total revenue, tax revenue is estimated at Nu.17,619.723 million while non-tax revenue is estimated at Nu.6,979.309 million.

A total of Nu. 45,496.690 million has been allocated for sectors such as Health, Education, Judiciary and Office of the Constitutional Post Holders, the details of which can be viewed in the Annual Budget Report. In addition, the Finance Minister informed that with respect to the proposed budget's implication on the foreign exchange reserves, it is estimated that there would be a net outflow from the foreign exchange reserves by approximately USD.154.191million.

Tax Measures

Every year the economy is faced with current account deficit and problems in balance of payment. Therefore, to address these issues, a separate tax bill has been formulated and distributed to the Members for separate discussion. He expressed his hopes that the Members considering the current account deficit and the current economic situations will support the tax measures proposed.

Macro-Economic Outlook in the Medium Term

Economic growth is projected to grow at 6.8% in the FY 2014-15and 5.2% and 5.1% in the FY 2015-16 and FY 2016-17 respectively. The consumption and investment is projected to grow at 6.9% and 12.1% annually over the medium term. The annual inflation for the fourth quarter 2013 was 11.3% as compared to 9.5% in 2012, with 14.5% food inflation and 9.3% non-food inflation. The government hopes to bring down the unemployment rate from 2.1% with the implementation of the ESP programs in the medium term.

Report on State Owned Enterprisesand Companies (SoEs) with Government Shareholdings

The Finance Minister reported that despite the economy undergoing a difficult phase,State Owned Enterprises continued to perform satisfactorily in 2013. Despite the fact that the economy was going through a difficult phase, these companies posted 8% average revenue growth and profit before tax of 9%. This improved performance have contributed towards higher tax revenue and dividend remittances to the Government.

Royal Monetary Authority and the National Pension and Provident Fund

RMA's total operating income for the FY 2012-13 was Nu. 1,169 million representing an increase of 27% from the previous year's income of Nu. 921 million. The National Pension and Provident Fund declared a return of 6.6% per annum this year and the total investment portfolio increased to Nu. 12,852.350 million as of March 31, 2014 compared to Nu. 12,044 million in the previous year.

Report on Trust Funds

The Fund balance of the Cultural Trust Fund as on March 31, 2014 stood at Nu. 52.710 million compared to Nu. 48.698 million in June 2013. This is about 8% increases over the previous balance. With the maturity of the fixed deposits in October 2014 at the interest rate of 7% per annum, the total fund balance is expected to be Nu. 56.357 million. The Finance Minister reported that the details of the Bhutan Trust Fund for Environmental Conservation,

Universal Service Fund for ICT, Bhutan Health Trust Fund and Endowment Fund can be viewed in detail from the Annual Budget Report.

Conclusion

The Finance Minister reported that the Budget for the FY 2014-15 had been formulated based on the limited resource envelop in consultation with the concerned agencies. He expressed his hopes and prayers that the budget under the auspice of the guardian deities and the blessings of their Majesties the Kings will bring about unprecedented peace and prosperity in the country. The Report on the Annual Budget Report 2014-15 was then concluded.

The Speaker in addition to the report submitted by the Finance Minister, the Members of the House have been distributed with five documents comprising the National Budget For the FY 2014-15, Supplementary Budget Bill for FY 2013-14,Budget Appropriation the Appropriation Bill for the FY 2014-15, Annual Financial Statement for the Royal Government of Bhutan for the Year ended 30 June 2013 and the Tax Bill 2014. The Speaker reminded that the Members should correctly quote the page numbers and the sections during the deliberation on the Budget.

The report by the Finance Minister on the National Budget Report concluded on June 6, 2014.

 $(8^{\rm th}\ Day$ of the $4^{\rm th}\ Month$ of the Male Wood Horse Year corresponding to June 6, 2014)

11.1 Deliberation on the National Budget Report 2014-15

The deliberation on the National Budget Report 2014-15 was held on June 9, 2014. During the deliberation on the report, the Opposition led by the Leader of the Opposition said that the government should plan the development of basic infrastructure based on the policy of the government. During the 10thPlan, poverty reduction has been the main objective to be gained through the common minimum program of provision of drinking water, farm roads andelectricity. Through these programs, poverty had been reduced to 12 % in the 10th Plan. It was pointed out that although the 11th Plan has the objective of reducing poverty from 12 % to 5%, the plans and programs and budget towards achieving this objective has not been clearly specified in the National Budget Report.

Members also opined that the allocation of budget of Nu. 2 Billion for the Local Government in the 11th Plan was not in line with development policy. Moreover, it was felt that the big basic infrastructural development programs should be completed in the first part of the plan. It was raised that it was imperative that tax revision be carried out to bring about equitable regional development. Therefore, it was submitted that there was a need to further review the tax revision. In addition, it was brought to the notice that plans and programs to address unemployment problems were not clearly mentioned in the report.

Concerns were also raised on the ability to reduce poverty and achieve development activities based on capital budget considering that the annual budget for the FY 2014-15 has been reduced by Nu. 2 billion in addition to the reduction of capital budget to Nu. 15 billion.

Since the reduction of capital expenditure due to reduction in budget is not favourable for the financial situation, it was recommended that the budget be prepared based on production, inflation rate and unemployment rate so that they are interdependent.

Similarly, it was raised that sending youth for employment abroad while at the same time importing labour was a cause of concern. Additionally, youth employment abroad was only a temporary measure and would not benefit unemployment situation in the long run. Members also said that the distribution of budget for farm roads were not explicitly mentioned.

The report also lacked information on establishment of Colleges in the Eastern Dzongkhag for equitable development as pledged by the People's Democratic Party, budget deficit for the FY 2012-13, inclusion of Gewog Development Grant in the capital budget, expenditure incurred towards establishment of Business Opportunity and Information Centre and recruitment of employees for these offices in accordance with the Civil Service Rules and Regulations.

Furthermore, they said that there were also reports of problems faced while implementing developmental activities arising from the system of Gewog Development Grant. There is also no change in the policy and system of availing loans. They said that it was important to fully allocate the budget requisition submitted by the Local Government and be mindful of the rupee reserve at par with that of foreign exchange reserve.

It was also submitted that it the inclusion of information on the exemption of payment for 100 units of electricity in the rural areas, the number of household benefitted, a statement of source of income for such activities, Punatsangchu Hydro Project budget etc would help the public in understanding the discussion of the national budget.

It was also submitted that there was a need to clearly mention why a separate budget was allocated for the ministries and agencies. Members also recommended that adequate budget be allocated for industrial and tourism activities in the Eastern Dzongkhags. Questions were raised on the non-allocation of budget for the expansion of highway in Jemina although it has already been identified as an industrial area.

Members also sought clarification on the allocation of budget for only few Dzongkhag Thromdes when a decision has already been made to establish a Thromde in each Dzongkhag. Members also recommended an increase of the income tax exemption slab from Nu. 100,000 (one lakh) to (Nu. 200,000) two lakhs. It was submitted that although micro and small business in the rural areas are given annual tax exemptions, there was also a need to reduce the fees for renewal of licence. Further, it was recommended that budget be revised upwards for projects that have already commenced while at the same time adequate budget be allocated for expansion of existing projects and for vocational trainings.

Some Members from the ruling government said that there was a resource gap of Nu. 5.816 billion in the FY 2012-13. Therefore, it was important for the government to clarify on the plans and measures being undertaken to avoid such problems for the current and future government. Members also submitted that they were not happy with imposition of on green tax vehicles considering the existing unsatisfactory public transport services. They said that there was need to revise the green tax on agricultural machineries considering the welfare of the poor people.

The Prime Minister and Cabinet Ministers while expounding on the issues raised said that, poverty has been effectively reduced from 24 % to 12 % under the wise leadership of their Majesties the King and the Fourth Druk Gyalpo, The House was informed the government has already identified 116 villages and plans and programs are being formulated to identify and address the different types of poverty faced by each household in an effort to further reduce the existing poverty rate of 12 %. Adequate budget has also been allocated for socio-economic development activities such as electricity, farm roads and telecommunication. Further budget allocation for Local Government in the 11th plan has been carried out in accordance with the revised budget allocation formula. In addition, Gewog Development Grant of Nu. 2,000,000 (two million) each has also been allocated.

The House was further informed that, Nu. 1.8 billion has been received for Small Development Projects (SDP) and a total of 59 SDP have been approved. In addition, Nu. 1.9 billion has also been allocated for small industries in the rural areas from the Economic Stimulus Plan Budgetwhich will benefit in reducing poverty to a great extent.

Members were informed that budget received fromGovernment of India, bilateral countries and development partners in the 11th plan has increased to

Nu.66 billion compared to Nu. 46 billion in the 10th Plan. They were also informed that the government is revising the current system of taxation which has been highly dependent on vehicle tax.

It was also explained that the decline in the capital budget to Nu. 15 billion was because of the exclusion of the budget for the small development projects. It was explained that the budget for the project tied assistance and small development projects were not included because if merged it would increase to Nu. 19 billion in the beginning of the plan year. It was submitted that the allocation for the capital budget would become clearer when the Supplementary Budget Appropriation Bill is presented to the House.

It was explained the capital budget has been reduced because the report only reflects the actual budget that has been received. This has been carried out considering the problems faced in the past, when implementing projects without secured funds. Further, the members were informed that whilesome budget for Small Development Projects have been received it is hoped that the remaining will be released soon. This would then be reflected in the Supplementary Budget Appropriations Bill automatically increasing the capital budget. His Majesty the Druk Gyalpo has always worked tirelessly and selflessly to reduce the problems of poverty. Since reduction of poverty hinge on the accessibility to farm road, plans and programs have been formulated to repair the existing farm roads and construct new ones. Furthermore, the government has taken initiatives to provide market for agricultural product, drinking water, free 100 units of electricity, initiated the review of education policy, payment of unemployment benefits of Nu. 7,500 to unemployed youth and plans and programs to encourage youth to work in agricultural and construction sectors are also being formulated.

Tax exemption for small and micro businesses in rural areas will greatly contribute to poverty reduction. It was alsoclarified that the licence renewal fee for small and micro businesses have not been revised. The government has as a new initiative started the Government Performance Management System where the government has started to sign performance agreement with the central ministries and the Dzongkhags. Under this initiative, the people are expected to benefit from better implementation of the plans and programs.

Considering the importance of farm roads as submitted by the people, the construction of farm roads are being continued and plans to black top about 1700 kms of Gewog roads are in line. Plans have also been formulated and talks are being held for the expansion of East-West highway. It was also clarified that the budget related to construction of roads have not been included in the capital budget.

One of the main challenges faced by the government is youth unemployment. Towards this, the government has formulated eight different plans and programs for which adequate budget has been allocated. In addition a Committee of Ministers have also been formed which holds meetings regularly to discuss and formulate plans and programs to address the problem of youth unemployment. In addition, the House was informed that a separate program has been formulated for the graduates for which adequate budget has also been allocated. However, since the budget has not yet been received, it was not reflected in the report. Further, the government considering the present and the future, continues to work diligently to solve the problem of unemployment in the country.

The House was also informed that in accordance with the Economic Stimulus Plan passed by the House, the government established a time bound Business Opportunity and Information Centre under the Ministry of Economic Affairs. The Cabinet in according with the existing rules and regulations have recruited its employees.

The Members were also informed that except for the policy of availing loan for the hydro power projects, other policies have been reviewed and changed. Further, the government is currently reviewing the implementation of the Gewog Development Grant after having received complaints. It was also pointed out that since the Gewog Development Grant has been used for capital development it has to be included in the Capital Budget. The House was also informed that the Dzongkhag Thromdes reflected in the report are those where the land resurvey and review have been identified. The budget modalities for the establishing a Thromde in every Dzongkhag will be implemented uniformly.

The Speaker advised that as submitted by the Minister for Labour and Human Resource, the budget received to solve the problem of unemployment be submitted in the winter session in the supplementary budget appropriation bill. The Ministry was also advised to review the Graduates Orientation program and the benefits accrued to the graduates. The House then voted and passed the National Budget for the Financial Year 2014-15 based on majority show of hands. The House commended the civil servants of the Ministry of Finance and the Gross National Happiness Commission who with the help of submissions made by the Local Government leaders and the Dzongkhag administration for the successful National Budget Report.

11.2 Deliberation on the Tax Bill 2014

The Finance Minister presented the Tax Bill 2014 to the House on June 10, 2014. In presenting the Bill, the Finance Minister said that the country has been faced with the problem of debt service and current account deficit. Highlighting the problem he informed that in the year 2008-09, the deficit from domestic income was 6.6 % and from 2010-11 onwards it was 25.1 %. To address these challenges, the government has proposed a tax revision as a fiscal measure to provide for alteration, imposition, repeal, remission and regulation of income tax, sales tax and green tax. The Bill proposes two tax exemptions, indirect tax measures,

vehicle sales tax, revision in customs duty and green tax, green tax

on petrol and diesel. In addition, revision of custom duty on medical supplies and aircraft spare parts and 5 % sales tax on all telecom services have also been proposed.

The Finance Minister expressed his hopes that the House would support the proposal based on the current economic conditions, debt service ratio and the current account deficits faced by the country.

During the deliberation on the Tax Bill 2014, some of the members submitted thatas reported in Section 5.1 of the

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National Budget Report 2014-15, in addition to the tax exemption granted to small and micro businesses in the rural areas, there was also a need to review and reduce the business license renewal fee. Members said that in order to strengthen the economy, it was imperative to revise the tax policies to increase the income, increase exports and to create employment opportunities.

Members recommended that a study be carried out on the benefits of tax exemptions made in the past while it was also imperative to formulate policies to stop import of consumer goods that are detrimental to personal health, environment and goods that come in plastic wrappers and plastic jars. Members pointed out that it was important to improve the public transport services while formulating policies to curb the import of vehicles. It was also suggested that the tax on vehicles be applied based on number of times a person imports a vehicle. Moreover, it was felt that a tax revision was necessary on imported alcohol and tobacco products.

Doubts were also raised on the ability of electric cars to ply on the roads in rural areas including the problems related to batteries for the cars. It was also submitted that additional tax on utility vehicles used in the rural areas such as Boleros and pickup trucks would pose a problem to the local farm business people. Therefore, it was submitted that green tax for these vehicles be retained at 5% as before. It was also submitted that introduction of tax on telecom services be withdrawn and 20 % sales tax and custom duties be levied on electric cars similar to other general vehicles while green tax on it be similar to those of hybrid cars.

Since the cars affordable by the general public are vehicles under 1500 cc, it was recommended that the tax on such vehicles be reduced to 100 % from 110%. In addition it was recommended that the tax on tourism be retained as in the tax exemption handbook published in 2010.

As per the Sales Tax, Customs and Excise Act of Kingdom of Bhutan, unless approval is granted by the concerned agencies second hand vehicles are not allowed to be imported. Members also submitted for the retention of tax rates for the import of Aircraft spare parts. It was recommended that possibilities of introduction of cable cars in the country also be studied. The government was also asked to review the renewal of licences, which is currently very time consuming, for small and micro businesses in the rural areas.

In response, the cabinet ministers led by the Prime Minister clarified that the renewal fee for small and micro businesses have not been revised and said that it was important for any person having faced such problem to immediately report to the concerned agency. The aim of the current tax revision exercise was carried out to lift the current ban on imports, improve the balance of payments and improve the rupee problem.

The use of electric cars is in line with the provisions of the Constitution of the Kingdom of Bhutan and with the policy of Gross National Happiness. Therefore, it is hoped that the House would support the tax measures proposed. The House was also assured that since the government plans to import electric cars that have only run for less than 30,000 kms it would not entail any problems. Further, the electric vehicles were mainly introduced to give the taxi drivers more opportunity. The government explained that the people are not being forced to buy electric vehicles and that choice of vehicles has been left with the people.

The House was informed that the tax on alcohol had been revised in 2010 to 50 % for those imported from India and 150 % for those imported from other countries. The implications that the additional levy of tax might have on the people needs to be considered. Further, the government clarified that customs and duties and green tax on electric cars are being implemented as per rule. Even the International Climate Change program has recognised electric cars as viable and hasthereforebeen introduced into the country. The Members were also informed that the policy of electric cars had been formulated by the past government and already imported. The Cabinet also found the electric cars to be beneficial to the environment. Therefore, the government imported and is using the Reva electric car. The government has made a decision to use electric cars because the problems and risks related to fuel can already be foreseen.

The use of electric cars is cost effective and reduces the expenditure as compared to other vehicles. It was submitted that although the big electric cars might not be able to ply in the rural areas, the house was assured that small electric cars can without any problem in the rural areas.

Further clarification was made on the public transportation vehicles and for tourism agencies. For such vehicles, it was clarified that there were no changes in the tax and for vehicles used in the rural areas such as Boleroes and pickup trucks, there is a small revision in the sales tax while the rest of the taxes have been retained as before. It was then proposed to the House to vote on the Tax Bill in order to conclude the decision.

The House was reminded that a vehicle being imported from ex country will be imposed all the taxes while a vehicle imported from India is exempted from customs duty. Moreover, import of used vehicles would be implemented as per the existing acts. The government informed that the cabinet has been following the existing rules and regulations on such cases. The government did not allow the import of second hand cars considering the pollution caused by emission. The Act only specifies regulation of cars and does not explicitly mention ban on import of cars. In case the Act is explicit on ban on import then it is imperative to amend the Act as per existing amendment procedures.

Although doubts still remain about electric cars, the government expressed their hopes that the initiative would be supported considering the benefits it will have to the country credibility, the health of the people and the environment.

To this, the Speaker instructed the government to clearly present the revision of taxes on vehicles as requested by the Members. The Finance Minister informed as submitted by the Members tax for vehicles with cylinder capacity of 1500 cc below will be reduced by 10% with a reduction of 5% custom duty and 5% sales tax, bringing down the tax to 100 %. The House endorsed the submission.

The House then voted to pass the Budget Appropriation Bill 2014-15 for Nu. 40, 355.837 million. Out of the 42 members present and voting, 38 voted Yes, 2 voted No while 2 Abstained. The house passed the Bill based on majority votes.

The House also voted on the Supplementary Budget Appropriation Bill 2013-14 for an amount of Nu. 43,106.878 million. Out of the 41 members present and voting, 36 voted Yes, 2 voted No and 3 Abstained. The House passed the Bill based on majority votes.

Similarly, on the recommendations made by the Tax Revision Bill 2014, Chapter 2, Section 2.1, to revise the Income Tax Act, 2001 relating to Personal Income Tax and 2.2 stating Amendment to Section 31, Chapter 5 of the General Provisions of the Income Tax Act 2001, the House resolved to submit the amendment of the Personal Income Tax Act 2001 in the Fourth Session as per existing amendmentprocedure. The House then voted on the Tax Bill 2014, out of the 42 members present and voting, 31 voted Yes, 7 voted No and 4 Abstained. Based on majority votes the House passed the Tax Bill 2014.

The deliberation on the Supplementary Budget Appropriation Bill 2013-14, Budget Appropriation Bill 2014-15 and Tax Bill 2014 concluded on June 10, 2014.

 $(12^{th}\ Day$ of the $4^{th}\ Month$ of the Male Horse Year corresponding to June 10, 2014)

XII. VISIT BY THE INDIAN PRIME MINISTER

12.1 Welcome Address by the Speaker to His Excellency Shri Narendra Modi, the Prime Minister of India

The Speaker welcomed His Excellency Shri Narendra Modi, the Prime Minister of the Republic ofIndia and the other senior officials, on this very special and historic occasion, to the Joint Sitting of the Parliament.

The Speaker said that it was an honour to have the Prime Minister address the Parliament. He said that everyone would greatly benefit from the address of a leader who brings with him the wisdom of the an ancient civilisation, the experience of the world's largest democracy, the knowledge of a modern and vibrant nation and the vision of a leader who has captured the imagination of more than a billion people.

He said that it was a unique honour for Bhutan and the Parliament of Bhutan to have the Prime Minister choose Bhutan as his first foreign visit after assuming theoffice of the Prime Minister. He said that this not only symbolizes the special relation between Bhutan and India but will also provide further impetus to the existing strong relations.

The Speaker said that Bhutan is a young democracy in transition having embraced democracy six years ago and is confronted by many development challenges. However, with the generous and unflinching support from the government of people and India, Bhutan's effort to strengthen democracy, promote socio-economic development and improve the wellbeing of the people are bearing fruit. The Speaker expressed his deep gratitude to the Government and the people of India and expressed his hopes for continued support.

The Speaker said that Bhutan had great admiration for the recent peaceful election in India which elected the Bharatiya Janata Party (BJP) government. He said despite all the challenges in a huge and populous country, Indian democracy is one of the most vibrant and a source of inspiration.

He expressed his confidence that India stands poised for unprecedented progress and development under His Excellency's leadership and the fruits of India's success will benefit Bhutan, the region and beyond. The Speaker in conclusion wished His Excellency success in all his endeavours.

12.2. His Excellency Shri Narendra Modi's Address

In his address to the Joint Sitting of the Parliament, His Excellency the Prime Minister of India, Shri Narendra Modi greeted the Hon Speaker Jigme Zangpo, His Excellency the Prime Minister Tshering Tobgay, the Hon Chairperson of the National Council Dasho Sonam Kinga and the distinguished members of the Parliament of Bhutan. He said that he was very fortunate to address the Joint Sitting of the Parliament of Bhutan. He expressed his appreciation to the hereditary Monarchs and the Royal Familyfor inculcating rich values and traditions. Traditions such as caring for the welfare of the citizens, moving forward in the field of development while maintaining the cultural heritage of Bhutan and also protecting the environment. He congratulated the efforts of the Royal Family and the hereditary Monarchs in upholding such rich traditions.

He said that at a time other countries are experiencing expansion of power and centralization of politics, Bhutan has set an example by being an exception by imbibing democratic values in its system. Bhutan is unique and introduced democracy peacefully unlike other countries, by creating public awareness and ensuring constitutional propriety.

He said that although democracy is only about seven years old, Bhutan has successfully established constitutional priority, democratic values and self-discipline- the most important power of democracy. He added that selfdiscipline is one aspect which has not only been practiced by the citizens and political parties and elected representatives of the country, but also by the Royal Family, which in itself is a fine example before the whole world. This, His Excellency pointed out, is the reason why within seven years, the common people have developed their faith in the democratic procedures, the dignity of the parliament and also in their representatives.

He said that the transfer of power within a short span of seven years' time indicates that the people are very much aware of democratic principles and the awareness of the voters is very healthy for democracy.

The Prime Minister informed that elections were also recently held in India. He added that India is the largest democracy in the world and it has more voters than the total voters of Europe and America put together.

He said that to look into the welfare of the people and to install faith in democracy, the foundation of democracy needs to be strengthened. He said that he agreed 100 % with the Speaker when the Speaker said that, the more good governance is strengthened in India, the more Bhutan will be benefitted. He added that if India became stronger and prosperous, not only Bhutan but all SAARC countries in the region would be benefitted. He said it was imperative for neighbors to help and look after each other. Therefore, India has to be strong and prosperous to be able to solve the problems and difficulties of its small neighboring countries. He expressed his deep appreciation to the Prime Minister of Bhutan for accepting the invitation and gracing the Oath Taking Ceremony of the new government, along with other SAARC leaders. He said that it would be wrong to think that the relation between Bhutan and India only related to governance. In addition he observed that with the democratic system in Bhutan there has been a change of government. He informed that even India has witnessed a change in government however, he assured that this change has not adversely affected the relations between the two countries.

This he said is because the relation between India and Bhutan are based not only on governance but because of the sharedhistorical and cultural heritage. Moreover, we have opened our borders and hearts to each other and the feeling of oneness that is Bharat or Bhutan.

The Prime Minister assured that the relations between Bhutan and India will never be affected by the change in power in India. He urged the people of both the countries to work towards strengthening the existing good relations between the two countries. He said that the new government in India and all the people in India are committed strengthening this relationship.

His Excellency said that, he arrived in Bhutan yesterday and that it was his first visit after being sworn in as the Prime Minister of India. He said that after getting such strong mandate from the people in India, it was natural for anyone to be tempted to visit a powerful and prosperous country and be more in the limelight. However, he felt it in his heart to visit Bhutan first because of the existing relations and the inspiration it provided. He expressed his happiness to be here today.

His Excellency commended Bhutan for the rapid development in the last two decades and praised the development philosophy of Bhutan and its efforts in bringing the benefits of development to the last man in the society. He said that there was need to understand and study this kind of development model.

The Prime Minister said that when the whole world is talking about Gross Development Product and the rate of development, Bhutan is one country that considers the "happiness quotient" more important for its people. He said, the criteria of Happiness comes to the mind only when the government considers the welfare of the people at the grass root people. While the government might provide good roads, water facilities, good schools and hospitals, what needs to be ascertained is that the beneficiaries of these amenities are happy and satisfied which is the norm of growth and development. Therefore, His Excellency said, the basic unit of development is neither a nation nor a state, nor any vision but each individual of the country. Ensuring that each individual is attaining a level of growth and development, getting the benefit of welfare measures, having peaceful sleep and life and to be able to bring up his/her children in a manner as he/she desires is a bold and innovative decision. He said that this development policy is very brave and a source of inspiration to all.

His Excellency said that Bhutan is rich in natural resources and is also a source of energy. He said that India and Bhutan in the last few years have made a lot of initiatives in the field of hydro power. The benefit of generation of hydro power in Bhutan, His Excellency said is not limited to Bhutan and India. With the collective decision between the two countries, the generation of electricity could benefit countries affected by global warming. His Excellency expressed his belief that Bhutan and India could contribute to a meaningful effort towards having a sustainable development and a step forward for the welfare of humanity in the fight against global warming.

The Prime Minister expressed his happiness on the fact that Bhutan was going to spend a substantial amount of the budget on education in 2014. This suggest that Bhutan is concerned about the happiness of the future generations and it is sowing the seeds today for a brighter future of the future generation. As there is a saying in the world that those people who think only for one year cultivate food grains and those who think for ten years cultivate fruit and vegetable. But those concerned about generations and generations sow the seeds ofhumanity to grow qualitative humans.

His Excellency extended education his felicitations to the successive Monarchs and the Royal Families of Bhutan and the elected representatives for giving a priority. He announced that India will support Bhutan in establishing an e-library in the country. This will help provide modern technological education and open doors for the younger generations of Bhutan to the world. He said this will definitely make Bhutan a stronger nation. His Excellency pointed out that, when education was at its nascent stage in Bhutan, a lot of teachers were sent from India to Bhutan to teach andeducate the people. This is an example of trust that the two countries have between each other and the feelings to help develop the country.

For decades, teachers from India has come to Bhutan to teach the Bhutanese children and this has strengthened the relations between the two countries. In fact scholarship have also been granted to meritorious students and arrangements had also been made so that they pursue higher studies in universities in India. His Excellency informed about the intention of the Government of India to double the scholarships offered to youth of Bhutan to avail modern education in the Universities in India.

His Excellency expressed his plans to widen the scope of relationship between Bhutan and India by organizing a special sports event. He said that Sikkim, Arunachal, Mizzoram, Nagaland and Sikkim shared the same interests, thinking and way of living with those of the people of Bhutan. He said that generations of both the nations could be brought together. This would also encourage sportsmanship and further strengthen the relationship between the two countries with the youth of the two countries learning about the culture and traditions of each other.

His Excellency expressed his feeling that the Bhutanese would be benefitted if they could get acquainted with Hindi language considering that lot of Bhutanese understand the languageand becausea large number of them come to India for higher studies. He also said that the Indian satellite technology and space science could help in the development of Bhutan and said efforts could be made towards this.

He said that the general notion that the people have these days is that the Himalayas separate us, however, in his opinion Himalayas do not separate but unites the people. Himalayas, His Excellency said is our personal heritage loved and respected by people on both sides and a common heritageof both countries. It is a source of power and both the countries have benefitted from it. He added that, time demands that a scientific study of the Himalayan range be undertaken in terms of its climate and natural resources.

His Excellency shared that India had plans to set up A National Plan For Climate Change and establish a National Mission For Sustaining The Himalayan Ecosystem. He said that India could not do this alone and invited collective efforts from the neighboring countries. He also shared his plans to establish a Central University of Himalayan studieswhich could include topics such as life of people in Himalaya, its natural resource, the climate change witnessed by the Himalaya and the scope of its benefits to the humankind under one focused subject.

The Prime Minister observed that Bhutan is becoming a tourist destination. There have been few adventurous tourist that dates back to thousands of years such as Vasco da Gama and Hieun Tsang from China. In the history of every country there are been one or two personalities who, centuries back had dared to explore and venture and explore new areas despite great difficulties. Tourism has linked the past and the present and two countries together. Therefore, promotion of tourism is one initiative to bring people and countries together. He expressed his belief that terrorism divides and tourism unites. Therefore, since Bhutan has the natural resources to attract tourists, he said Bhutan and India could work together to promote tourism in the Himalayas. This could generate foreign currencies and employment opportunities. He offered that Bhutan and India should work together to promote tourism in the north eastern part of Bhutan for the interest of both the countries.

He commended Bhutan and expressed his appreciation on the existing democratic system of Bhutan and the conduct of business and procedures in the Parliament by the Speaker.

The Prime Minister said that, formal relations between the governments of both the countries will always be there at the state level, however, closer bonds amongst the people of the two countries is much desired. He expressed that the more people met and visited each other's countries, stronger relations with each other can be developed.

He said with the development of technology, the whole world has become a global village as far as technology is concerned and any information from any part of the world can be accessed within a fraction of a second. He said that because of the collective efforts of the two countries, the new generation of Bhutan is computer literate and tech savvy witnessing an all-round development including happiness and prosperity. His Excellency said that the relations that the two countries share is like milk and water like His Majesty the Third King said. He said that this brought back memories of a book that he read about Jiduranaa Hindu ruler at four hundred years back. A Persians had come from Iran after being driven from there to settle in Gujarat. Jidurana sent them a cup full of milk, indicating that Gujarat already had enough people and that the Persians could not be accommodated. The Persians in reply added sugar to the cup and sent it back. When the ruler tasted the milk it was sweet. The ruler then invited and welcomed the Persians. The Persian community, today have advanced in all the fields of development India and the whole world. He said the use of good words and good gestures resembled the example of "milk and water" given by the Third King of Bhutan. He said that these two incidents were very similar and expressed his hopes that the relationship between Bhutan and India will also attain new heights in every fields in times to come.

His Excellency expressed his hopes that the relation between the two countries will continue to grow.

His Excellency, expressed his deep appreciation and gratitude to the warm reception accorded to His Excellency and his delegation in the entire stretch of 50 kms from the

airport to Thimphu. He also expressed his appreciation for the opportunity to meet and address the Parliament of Bhutan. He offered his deep thanks to the Royal Family for the honour and the warm reception accorded.

12.3. Motion of Thanks to His Excellency Shri Narendra Modi

The Chairperson of the National Council expressed his deep appreciation to His Excellency Shri Narendra Modi for visiting Bhutan and addressing the Joint Sitting of the Parliament of Bhutan after assuming the office of the Prime Minister of world's largest democracy.

He thanked His Excellency for expressing appreciation and admiration for the genesis, customs and traditions of the Bhutanese democracy. He expressed his delight in hearing His Excellency's commitment to nurture and further strengthen the special relations existing relations between the two countries and support to our development efforts such as education, tourism, science and health.

He said that beginning with the most historic visit of India's First Prime Minister Jawharlal Nehru in 1958, His Excellency's visit is very special and historic because His Excellency is not only visiting Bhutan for the first time but also making Bhutan his first foreign visit as the Prime Minister of India. He said that all the Bhutanese people are deeply honoured and expressed their appreciation.

He reiterated that the tremendous respect and appreciation that the government and people of Bhutan already have for the government and people of India has been further reinforced and strengthened owing to His Excellency's conscious decision to visit Bhutan first among many nations. On behalf of the Members of the Parliament, the Chairperson expressed his deep gratitude and cognizance of India's placement of Bhutan as a key foreign policy priority signalled through this visit.

He said that the Parliament of Bhutan supports and draws immense satisfaction from the government's continued effort to place the highest priority in our special relation with India and her people. He said, the Parliament continues to consciously follow the noble footsteps of our former Kings and His Majesty the King who made relations with India a corner stone of our foreign policy.

The Chairperson pointed out that as His Excellency highlighted in the address to the Parliament the special relations that the two countries share are not underpinned only by political relations but also by the ties of our geography, history and culture, our common future characterised by bonds of shared interests and prosperity. On behalf of the Parliament, the Chairperson offered the best wishes and prayers for greater peace and prosperity for the people of India under His Excellency's leadership. He also offered prayers for the good health and long life of His Excellency.

The program for His Excellency Shri Narendra Modi, the Prime Minister of India's visit concluded on June 16, 2014. (19th Day of the 4th Month of the Wood Male Horse Year corresponding to June 16, 2014)

XIII. TRANSLATION OF THE ROYAL KASHO FOR THE JOINT SITTING OF THE PUBLIC ACCOUNTS COMMITTEE

Royal Assent is granted for the Public Accounts Committee to present Annual Audit Report and the Annual State of Nation Report by Prime Minister in the Joint Sitting of the Parliament as per the program scheduled on 16th and 19th June, 2014 respectively.

Granted on the 17th Day of the 4th Month of the Wood Male Horse Year.

DRUK GYALPO

As directed by the Speaker the Secretary General read out the Royal Kasho granted by His Majesty the Druk Gyalpo to the Joint Sitting of Parliament. The Chairperson of the Public Accounts Committee then proceeded to report on the Annual Audit Report 2013.

XIV. ANNUAL AUDIT REPORT 2013

The Public Accounts Committee (PAC), as mandated in the Article 25 (5) and (6) of the Constitution of the Kingdom of Bhutan and as per the provisions of the National Assembly Rules of Procedure 2014, to review and report to the Parliament for its consideration on the Annual Audit Report (AAR) and any other reports received from the Auditor General. The committee presented its report to the Joint Sitting of the Parliament which is categorized into four chapters as follows;

Chapter - I: Annual Audit Report 2013

It was submitted that the Royal Audit Authority (RAA) had completed 534 audits during the year including 101 certification audits and two performance audits within 31st December 2013 which has been compiled from 853 audit reports issued during the year. The report consists of 739 normal audit reports, 112 certification audit reports and 2 performance reports. It was said that the RAA had recovered a record high of Nu. 151.044 millions in 2013, which was mainly due to the rigorous follow-up done by the RAA. The recoveries during 2013 had slightly increased by 2.4% from 2012.

It was reported that there were total unresolved significant issues amounting to Nu. 261.464 million reflected in the AAR 2013 which pertains to all Ministries, 8 Dzongkhags, 26 Gewogs, 5 Autonomous Bodies, 13 Corporations, 1 Financial Institution and 3 Non-Governmental Organizations (NGOs). It was said that the irregularities have decreased by 33.13% compared to the irregularities reported in AAR 2012.

It was reported that there had been decline in the amount of irregularities reported in the AARs since 2011. Under the budgetary agencies, the highest amount of irregularities is reported under Ministry of Works and Human Settlement (MoWHS) with Nu. 49.544 million followed by Ministry of Economic Affairs (MoEA) with Nu. 31.095 million and Ministry of Education (MoE) with Nu. 22.151 million and under the non-budgetary agencies, the single largest amount of irregularities reported under State Trading Corporation of Bhutan Limited (STCBL) with Nu. 72.100 million followed by Dungsam Cement Corporation Limited (DCCL) with irregularities of Nu. 14.805 million.

It was submitted that the amount of Nu. 168.504 million was reported as the highest irregularities under "Shortfalls, Lapses and Deficiencies" followed by Nu. 53.765 million under "Mismanagement". The amount of Nu. 36.141 million was reported under "Violation of Laws and Rules" and Nu. 3.054 million under "Fraud, Corruption and Embezzlement". It was also said that, the RAA endorsed 6 audit reports with 9 cases indicating existence of fraud and corruption to the Anti-Corruption Commission (ACC) during the year,

Certification of Annual Financial Statements

The Chairperson submitted that the report includes the certification of the Annual Financial Statements (AFS) of the Royal Government for the Fiscal Year ended June 30, 2013 and the approved budget for the Fiscal Year 2012-13 of the Royal Government was Nu.33,486.239 million against estimated resources of Nu.31,891.042 million with a fiscal deficit of Nu. 1,595.197 million. He said that during the year, the outlay was revised to Nu.38,604.393 million and the resources to Nu. 37,648.230 million. At the end of the Fiscal Year, the actual outlay reported was Nu. 34,902.407 million against the realized resources of Nu. 30,656.117 million resulting into a fiscal deficit of Nu. 3,753.982 million.

It was reported that as compared with the previous year, there was some improvement in the utilization of capital budget. For the Fiscal Year ended 2012, the capital budget of Nu. 4,095.754 million was not utilized against the revised capital budget of 22,232.868 million while the actual expenditure reported was 18,137.114 million. It was said that the actual expenditure reported was Nu. 18,431.264 million against the revised capital budget of Nu.20,717.288 million resulting in the underutilization of Nu.2,286.02 million in 2013.

It was reported that the RAA has issued qualified audit opinion based on the pending detailed review and reconciliation of the discrepancies noted on account of Non-revenue Account and Refundable Deposit Account, employees and employers' matching contribution and the mismatch between amounts shown as payment to Department of Public Accounts (DPA) and the amount actually surrendered to the DPA in both Letter of Credit (LC) and Project Letter of Credit (PLC) accounts across all budgetary agencies.

Government debt position

It was submitted that the AFS for the Fiscal Year 2012-2013 reflects the Government debt as Nu.101,310.220 million as of 30th June 2013 of which the outstanding domestic debt was Nu. 6,342.721 million and the total external debt outstanding was Nu.94,967.473 million. It was noted that external debt in convertible currency is about USD 574.520 million equivalent to Nu.34,140.823 million while the outstanding Rupee loan stood at Nu. 60,826.650 million.

Persistent irregularities in construction works

It was reported that the issues related to constructions such as overpayments, double payments, acceptance of defective works, payments for works not executed, substandard works still constitute a substantial portion of the irregularities despite RAA's unrelenting insistence for improved compliance and adherence to the regulatory requirements governing constructions through its AARs and individual audit reports to agencies concerned. It was also reported that the RAA indicates its possible causes 1) Inadequate internal safeguards and controls in the administration of contracts; 2) Inadequate exercise of due diligence by those charged with the responsibilities; 3) Inadequate internal arrangement for enforcing accountability; 4) Incapacity of agencies to undertake constructions; 5) Failure to conduct feasibility studies; and 6) Lack of coordination among others.

It was said that the RAA had also expressed the need for remedial measures to be taken through appropriate Government interventions to address these recurrent issues that are becoming endemic in the system.

Chapter – II: Review Reports of the Annual Audit Reports 2009-2010

a) It was reported that the report contains unresolved irregularities of Nu.13.110 million in review report 2009, of which the RAA had conducted numerous follow-ups at various levels and resolved the irregularities amounting Nu. 8.954 million leaving a balance of Nu. 4.156 million.

Out of the unresolved irregularities of Nu. 4.156 million, an amount of Nu.3.414 million pertains to the

Ministries, Nu. 0.700 million pertains to Dzongkhags and Nu. 0.042 million with the Gewogs.

It was submitted that the unresolved irregularities amounting to Nu. 2.535 million under Violation of Laws and Rules pertains to the MoLHR and out of the unresolved irregularities amounting to Nu. 1.761 million under Shortfalls, Lapses and Deficiencies, Nu. 0.896 million pertains to the MoLHR, MoFA with Nu. 0.165 million and Dzongkhag Administration, Punakha with Nu. 0.700 million. The unresolved irregularities amounting to Nu. 0.042 million under Mismanagement pertains to the Gewog Administration, Gakiling under Haa Dzongkhag.

b) It was reported that the report contains unresolved irregularities of Nu.93.868 million in review report 2010. Of which the RAA had conducted numerous follow-ups at various levels and resolved the irregularities amounting Nu. 6.249 million leaving a balance of Nu. 87.619 million.

Out of the unresolved irregularities of Nu. 87.619 million, an amount of Nu.87.076 million pertains to the Ministries, Nu.0.397 million pertains to Dzongkhags and Nu.0.147 million with the Corporations.

It was submitted that the unresolved irregularities amounting Nu.10.691 million under Fraud Corruption

and Embezzlement pertains to the Ministry of Health (MoH) amounting Nu. 8.300 million and Nu. 2.391 million with MoFA which are under the purview of the ACC.

Out of the total unresolved irregularities amounting Nu.8.582 million under Mismanagement, an amount of Nu. 7.873 million pertains to the MoH and Nu. 0.709 million to the MoF.

It was also reported that the unresolved irregularities amounting Nu.0.003 million under Violation of Laws and Rules pertains to the MoH. Out of the total unresolved irregularities amounting to Nu. 68.343 million under Shortfalls, Lapses and Deficiencies, an amount of Nu. 67.799 million pertains to the MoH while Samtse and Zhemgang Dzongkhag Administrations, have irregularities amounting to Nu. 0.108 million and Nu. 0.289 million respectively. The unresolved irregularities of Nu. 0.076 million and Nu. 0.071 million pertains to Bhutan Board Product Limited (BBPL) and Food Corporation of Bhutan Limited (FCBL) respectively.

Chapter –III: Observations and Recommendations on the Implementation Status Of The Past Resolutions

 a) It was submitted that the Recommendations of the PAC as endorsed at the Joint Sitting of the First Session of the Second Parliament was sent to the Government for necessary action on 17th October 2013. The PAC wrote to the Government on 14th May 2014 to ask for an update on action taken on the recommendations and requested that the same be sent latest by 22nd May 2014.

However, the responses forwarded to the PAC by the Cabinet Secretariat were from agencies that had been identified by the Cabinet Secretariat to provide the response and not the collective response of the Government as such.

b) It was submitted that as per the resolutions adopted in the 2nd Session of the Second Parliament, it was recommended that the ECB and RAA should enhance consultation with each other with regard to the accounts of political parties. Further, the House had also resolved that the audit of its accounts and operations should be carried out annually. It was also reported that the MoAF will be completing 36 % of the field work under the implementation phase of the NFI by the end of June 2014 as per the resolutions of the Parliament. Further, the Ministry has targeted to complete all fields works by the end of the Financial Year 2015-2016.

Chapter – IV: Other Recommendations

The House after extensive deliberation on the report of the PAC resolved as follows:

1. Land related lapses highlighted in the AAR 2013 such as underdevelopment of private land, lease of Government land and land tax not commensurate with the total area of land available are mainly due to anomalies that exists between the Land Act 2007, the Thimphu Structural Plans (TSP) and the Local Area Plans (LAPs).

It was resolved that the anomalies highlighted should be discussed thoroughly between the National Land Commission (NLC), the MoWHS and the Thimphu Thromde so as to address these issues and should report the action taken to PAC by December 2014 which could include, among others, the need to amend existing laws if any.

The National Land Policy which is to be published by the Government should ensure that the above anomalies are duly addressed in the same.

2. It was submitted that there was a revenue loss of Nu.25.230 million as a result of short levy of penalty by the Department of Geology and Mines (DGM) on unauthorized Talc mining at Sukreti, Samtse. Similar

issues have been pointed out in performance audit report on Leasing of Government Land, GRF Land and Mines (August 2013). As approved by the House in the First Session of the Second Parliament to delegate the review of performance audit reports to relevant committees of both the houses, the PAC notes that the Special Committee on Mining and Quarrying Activities in the country of the National Council is currently working on this issue. Therefore, the House resolved that the MoEA should hold DGM accountable for the above loss of revenues.

3. As noted in the observation no. 3 of the PAC, the Royal Bhutanese Embassy (RBE), New Delhi, RBE, Dhaka, the Permanent Mission of Bhutan, Geneva, and the Royal Bhutanese Consulate Office, Kolkata have paid Nu.1.933 million as Children's Education Allowance although the children were studying in Bhutan. This is in contravention to Foreign Service Rules and Regulations which stipulates that such allowances are payable only if the children are not in receipt of free education either in Bhutan or abroad. Therefore, the House resolved that the MoFA should make the concerned embassies to repay the allowance immediately and take necessary administrative actions against the concerned officials.

- 4. As noted in the observation no. 4 of the PAC, the vehicles purchased by the tour operators under the fiscal incentive schemes were not registered under the company's name as required in the scheme. Further, the tour operators have not paid Sales Tax and Customs Duty for failing to bring in 50 tourists in a year. However, this scheme has since been halted for about two months beginning March 2014 in view of the tax revision measures. The House resolved that, should such similar fiscal incentive schemes be introduced by the Government, the concerned agency should implement and monitor the scheme properly so that similar lapses do not occur.
- 5. As mentioned in the observation no. 5, the PAC observed that the Penden Cement Authority Limited (PCAL) had made payments on behalf of various agents on account of Bhutan Sales Tax (BST) amounting to Nu.2.208 million and such practices are not in line with the standard financial norms. Further, during the First Session of Second Parliament PAC had recommended that PCAL be investigated by ACC for significant irregularities based on both AAR 2011 and AAR 2012.

The House resolved that the PCAL Board should make the concerned officials recover the BST from the concerned agents immediately and take necessary administrative actions against the management.

- 6. Regarding the Annual Financial Statement, the Committee presented the following observations to the House:
- a) The reconciliation of the discrepancies:- refund made without obtaining releases, refund not made upon receipt equivalent releases and excess, non-deposit of revenue receipts and refundable deposit involving huge amounts across all budgetary agencies could not be ascertained.

The Department of Public Accounts (DPA), Ministry of Finance (MoF) has acknowledged that such problems arose as the Public Expenditure Management System (PEMS) did not have any controls built in to monitor such lapses. They have addressed this by tagging budget and release to specific activities. They have also stated that such an observation should not come about in the 2014-2015 AFS report.

The RAA will be verifying the corrective measures adopted and its effectiveness as assured by the DPA.

 b) Un-reconciled differences between employees' and employers' as well as excess contributions remitted to National Pension and Provident Fund (NPPF) could have inflated the expenditure on pay and allowances. The DPA stated that such discrepancies could have arisen due to (i) Fund transfer for employees who are transferred to other agencies after the final quarter fund had been released from DPA. (ii) When agencies have continued paying salary to the employees who had already resigned. (iii) Salary disbursement made through imprest money. (iv) Charging of employer's contribution to pay and allowances when there is no sufficient budget under OBC 24.03 at the end of the financial year. The RAA is in the process of further reviewing the above issues in greater detail.

c) There was a mismatch between amount shown as payment to DPA and the amount actually deposited in DPA.

The DPA, MoF has attributed this mismatch to (i) Agencies passed journal voucher to correct the broad head and OBC for what they have debited and credited (ii) treatment of payment to DPA as expenditure and under the head "Others". (iii) Refunds are made through cash warrant or demand drafts which are subject to bank charges.

The House resolved that, in order to address the observations (b) and (c) above, the MoF should issue clear directives to all the budgetary agencies to enhance intra agency co-ordination (especially between the HR and Finance Sections) and ensure strict adherence to the financial rules and regulations.

- 7. Regarding the Public Debt Management, the RAA has succinctly captured every major aspect and has made a series of recommendations to the Government. The PAC notes that the RAA has asked for ATR within six months from the date of issuance of the report. In view of the above observation, other than strongly urging the Government to implement the recommendations at the earliest and as much as possible, the PAC has decided to reserve its comments till then. Subsequently the House resolved as recommended.
- 8. Regarding the persistent irregularities in construction works, the House resolved as requested by the Committee, to direct the Government to address these issues on a priority basis given that construction activities constitute a significant part of the capital budget. Submit an Action Taken Report on each of the above enumerated points raised by RAA indicating details of action taken to the PAC within six months from the date of publication of the Resolutions of Parliament.
- 9. With regard to the Review Report of AAR 2009 and 2010, Pursuant to the Resolution of the 3rd Session of the First Parliament, MoF should impose penal interest of 24% per annum on Government agencies. It further directed that if the recoverable amount along with penal

interest was not deposited within 12 months from the date of issue of the audit report, the concerned agency should take legal action. It was noted that, this was reiterated by the House in the First Session of the Second Parliament which directed that all pending issues of AAR 2008-2010 must be resolved by the agencies concerned within April 30, 2014. However, the action has not been taken by the relevant agencies as directed and hence, the House directed to fix the accountability on the concerned agency under the guidance of the Cabinet Secretariat and report within six months. As such the Board is also directed to fix accountability on the concerned officials and resolve the irregularities within six months.

- The House after extensive deliberation on the review of action taken by the Government on PAC Recommendations duly endorsed by the Parliament in the First Session resolved as below:
- a) The Governments' ATR on the recommendations of the PAC should be one comprehensive report from the Government and not a collection of responses.
- b) The efficacy of the various actions reported as being undertaken in addressing the persistent observations made by the RAA in the past AARs should be reported on by the RAA in their subsequent Audit Reports.

- c) The under-utilization of capital budget continues to be a perennial problem suggesting that there is room to consider whether a more aggressive budget review processes would be beneficial for service delivery, to realize efficiencies by re-allocating likely under spending to other areas of emerging needs. The Government must come up with a concrete action plan on how the Government is going to address this problem beyond the response received from the MoF.
- 11. The House after extensive deliberation on review of action taken by the Government on PAC recommendation duly endorsed by the Parliament in the second session resolved that the tabling of the Bill for the Amendment of the Election Act in the forthcoming Session of National Assembly will address the following Second Session Resolutions on political parties;
- a. To study the need to amend or improve the provisions related to election laws and adopt measures to prevent similar situations from happening with any political parties in future.
- b. All Political Parties henceforth should exercise greater prudence with their finances and adhere strictly to the Electoral Laws.

- c. Such oversight and inconsistencies should not be repeated in the future. Future Parties should be adequately advised by Election Commission of Bhutan (ECB) so that they avoid the same mistakes.
- 12. Regarding the Overall Recommendations submitted by the PAC

Firstly, it was submitted that, there is encouraging increase in audit recoveries and decrease in the irregularities reported over the years. The highest irregularities are reported under Shortfalls, Lapses and Deficiencies, followed by Mismanagement, then Violation of Laws and Rules, all of which can be tackled with the effective implementation of rules and regulations and concerted monitoring and supervision efforts shows that there is still a lot of room for improvement on this front.

said The Committee also that the key is "Accountability". Audit reports designate direct and supervisory accountability on every case reported and these address the issue of direct accountability but the enforcement of supervisory accountability is still a grey area. Therefore, appropriate directives of the House are sought on how supervisory accountability should be put into effect without unduly constricting the ability of the supervisor to function effectively and the House resolved that PAC and RAA should consult and report back to the Parliament.

Secondly, regarding the need to have PAC Act in place in order for the PAC to fulfill the broad mandate and to strengthen its objectives, the House discussed and directed the committee to investigate the convenience in establishing the Act and report in the next session.

Thirdly, regarding the schedule for presenting PAC's report, The Committee in the First Session of Second Parliament had obtained the consent of the House to present the AARs in the Summer Sessions and the Performance Audit and other Reports during the Winter Sessions. However, with the finalization of the calendar of sittings for the two Sessions as May/June and November/December respectively and the practical difficulties faced by the PAC in preparing this current report concurrent with the Session, the House resolved as proposed by the PAC to present the AARs in the Winter Sessions and Performance Audit and other Reports in the Summer Sessions.

Lastly, the House acknowledged the hard work put in by the RAA led by the Auditor General and the PAC for fruitful review and presenting a comprehensive report to the House. The House also advised towards achieving economy, efficiency and effectiveness in the use of public resources and ended the deliberation on the AAR 2013.

XV. RECOMMEDATIONS FROM THE NATIONAL COUNCIL ON THE PAY COMMISSION REPORT

The National Assembly on June 17, 2014 deliberated on the six recommendations made on the Pay Revision Report submitted by the National Council.

The First recommendation made by the National Council was that the pay revision for the Prime Minister, Cabinet Speaker, Chairperson, Opposition Leader, Ministers. Members of Parliament, Holders, Members and Commissioners of Constitutional Bodies, Constitutional Post holders under Judiciary, Chairman and Members of Privy Council, Attorney General, Cabinet Secretary and Government Secretaries be deferred until the revenue generation and cost cutting measures identified by the government to finance the pay revision are implemented and realised. The National Council had also recommended the government to merge the pay allowance of 2010 to the basic pay and that the 20 % revision for civil servants be based on that merged figure as recommended by the Pay Commission.

The Finance Minister in response clarified that the deferment of pay revision as per the first recommendation would help the government save Nu. 35 million each year. However, if the salary revision for the civil servants is based on the figure merged after the clubbing of the allowance, it would cost the government Nu. 283 million more each year.

He explained that the government had carried out a careful study and research for not less than three months to set a parameter for the pay revision. Therefore it was imperative to give the government some credibility and respect the recommendations made.

Some of the Members supported the recommendations made by the National Council to revise the pay for the civil servants as recommended by the pay commission considering that good governance and civil servants are indispensable. They further recommended that the pay for the government secretaries and the holders of constitutional offices be increased similar to the pay revision proposed for the civil servants. It was submitted that the people were not happy because the pay for the Cabinet Ministers and the Members of the Parliament were doubled. Therefore. members opined that as recommended by the National Council the pay for the Cabinet Ministers and Members of parliament be deferred. However, some members felt that one of the main problems that the civil servants faced was the increasing house rent. Therefore, they pointed out that 20 % house rent allowance along with the pay revision which worked up to almost 26 % was a good enough revision.

Other Members felt that it was imperative for the government to make the pay and otherallowances for the

members of parliament attractive. This was to strengthen the foundation of democratic system and to attract capable and competent candidates to participate in politics in the future. Members also said that civil servants at all level should be given a lump sum raise of Nu. 3000 or Nu. 2000. It was also pointed out that it was imperative to come to a decision on the salary revision for the civil servants in ESP and GSP since a decision was not made while discussing the pay revision earlier.

Under His Majesty the King's command, Dzongdas, Drangpons and school principals have been given accommodation where government houses are available and 20 % house rent allowance if unavailable. It was pointed out that it would not be fair to those who were already getting the Housing allowance as they would notbe getting any addition benefit from the grant of 20 % house rent allowance. Further, since those living in government housing have to pay the difference in house rent if the rent is higher, it was felt that the government should pay the rent difference back to the civil servant if the rent was lower than the allowance. The House also deliberated on the travel allowance and allowances for foreign postings, vehicle quota for public servants, government pool vehicles, lump sum grant for purchase of vehicles, retirement benefits, pay revision and revenue generation and cost cutting measures.

After a thorough deliberation on the above issues the National Assembly resolved the following:

- The National Assembly based on majority decision did not support the deferment of pay revision for the Prime Minister, Cabinet Ministers, Speaker, Chairperson, Opposition Leader, Members of Parliament, Holders, Members and Commissioners of Constitutional Bodies, Constitutional Post holders under Judiciary, Chairman and Members of Privy Council, Attorney General, Cabinet Secretary and Government Secretaries as recommended by the National Council.
- 2. With regard to the salary for civil servants, the National Council had recommended to merge the pay allowance of 2010 to the basic pay and that the 20 % revision be based on the merged figure as recommended by the Pay Commission.

In this regard, the House decided to stand by the earlier decision on the salary revision passed by the National Assembly considering that the government has revised the daily allowance, travel allowance and retirement benefits.

3. The House resolved to increase the salary for instructors of Early Child Care and Development Programs by 40 %

at par with those of the Non Formal Education Instructors as recommended by the National Council.

- 4. On the National Council's recommendation to consider paying the secretariat officials of both the Houses of Parliament with professional allowance during the Parliament Session, the House decided to discuss this at an appropriate time since this was a new issue.
- 5. The House resolved to implement the House Rent allowance as resolved earlier, however if there were problems in implementation, the Finance Ministry was directed to conduct research and accordingly implement.
- 6. With regard to Foreign Service Entitlements, the House directed the Ministry of Finance, Ministry of Foreign Affairs and the Royal Civil Service Commission to discuss and arrive with the solution to the problems faced as soon as possible.
- With regard to travel allowance, the National Assembly endorsed the recommendations made by the National Council without the ceilings as below.
- a) 2.4.1 Daily allowance (DA) in country

Actual Lodging in one room (maximum of Nu 3000) plus Nu. 800 or lump sum DA of Nu. 1500

b) 2.5.2 Daily Subsistence Allowance (DSA) in India

State Capitals

Actual Lodging (maximum of Nu. 12,000) plus Nu. 2000 or lump sum of Nu. 6,500.

Other Places

Actual Lodging (maximum of Nu. 8,000) plus Nu. 1500 or lump sum of Nu. 4500.

- 8. The National Council recommended to allow every civil servant to be eligible for the revised mileage of Nu. 16/km irrespective of their position levels if they use their private vehicles. In this regard, the National Assembly resolved to retain the recommendation made by the government.
- 9. The House did not acknowledge the recommendation made by the National Council for the government to pay a lump sum amount of travel allowance to the Gewog Geydrungs and Tshogpas for travel within the Gewogs similar to allowances for Gups and Mangmis.
- 10. On the tax free vehicle quota for public servants, as resolved earlier the Cabinet was advised to discuss the issue to make it more convenient.
- 11. With regard to government pool vehicles, the House advised the Cabinet to review the matter and submit a report thereof in the winter session.

12. The National Council recommended that the payment of additional Nu. 300,000 to the lump sum grant of Nu. 700,000 for purchase of vehicles for members of Parliament be deferred until the revenue generation and cost cutting measures identified by the government to finance the pay revision are implemented and realised.

The House voted on the recommendation and 5 voted Yes while 29 voted No to the recommendation. Therefore, the House did not pass the recommendation.

13. The National Council recommended the government to review the Pay Commission's recommendation relating to pension formula and pension payment on reemployment in order to minimize the impact of salary increase on the sustainability of the pension fund and liabilities that would accrue to the government in future. On this the House decided that since it is the responsibility of the government to look into the matter there was no need to discuss the issue separately.

With regard to the recommendation made by the National Council to increase the taxable bracket from the existing Nu. 100,000 to Nu. 200, 000. The House pointed out that the government had not submitted any separate recommendations on it, however the House felt that it was important for the Finance Ministry to look into the matter and submit a report.

The deliberation on the recommendations made by the National Council concluded on 17 June, 2014.

(20th Day of the 4th Month of the Wood Male Horse Year corresponding to June 17, 2014)

XVI. RECOMMEDATIONS FROM THE NATIONAL COUNCIL ON SUPPLEMENTARY BUDGET APPROPRIATION BILL

The National Assembly deliberated on the Supplementary Budget Appropriation Bill for the Financial Year 2013-14, Budget Appropriation Bill for the Financial Year 2014-15 and Tax Bill on 6th and 9th June 2014. The Bills were then presented to the National Council after they were passed by the National Assembly. The National Council after deliberation on the Bill submitted some recommendations to the Bills. The National Assembly deliberated on the recommendations as follows:

1. Recommendations onBudget Appropriation Bill for the Financial Year 2014-15 on Section 6, the Schedule for the appropriation to the Act.

1.1 Number 4. National Council of Bhutan

1.1.1 The National Council recommended that the Budget of Nu.5.892 million for foreign travel be retained as proposed. The Finance Minister submitted that this was not possible therefore the House approved the budget of Nu. 0.130 million allocated by the Ministry of Finance.

- 1.1.2 The National Council recommended that Session budget of Nu. 1.500 million approved by the Finance Ministry be increased to Nu. 1.800 million. To this the Finance Minister clarified that the Ministry had actually allocated Nu. 2.000 million for the session, however as recommended by the National Council the Finance Minister agreed to reduce the budget to Nu. 1.800 million. As submitted by the Finance Minister, the House passed the recommendation of the National Council regarding the Session Budget.
- 1.1.3 The National Council recommended that the office be allocated a sum of Nu. 0.550 million for professional services. The House did not pass this recommendation based on the clarifications provided by the Finance Minister.

1.2 Number 13. Bhutan Olympic Committee

The National Council recommended that the government establish free basic sports facilities in all the Dzongkhags in order to provide equal access and benefits to the youth.

The House approved the recommendation and resolved that the concerned Ministries should look into the matter.

1.3 Number 26. Tourism Council of Bhutan

1.3.1 As reported in the National Budget for the FY 2014-15, in the 11th FYP the tourism sector targets to achieve annual arrival of 200,000 tourists. The National Council recommended that details of the estimated revenue received in Dollars and the number of Indian tourists be explicitly mentioned in the report.

The Minister for Economic Affairs clarified that the government only had segregated data for international and regional tourist and did not have a separate data for Indian tourists. He said that India and Bangladesh were classified under regional tourists. The House did not accept the recommendation made by the National Council.

1.3.2 The National Council recommended that some amount should be allocated from the approved budget of Nu. 15.620 million for travel fairs and road shows to improve the facilities in the homes of the villages under the home stay program and to improve the tourist attraction areas.

To this, the Minister for Economic Affairs submitted that plans and programs are being formulated for tourism activities which would cover most of the recommendations made by the Council.

1.4 Number 38. Ministry for Agriculture and Forests

The National Council recommended for a separate budget to encourage people to undertake agricultural activities and for agricultural development. On this the House directed the concerned Ministry to look into the matter.

1.5 Number 39. Ministry of Economic Affairs

The National Council submitted that Bongdayma in Mongar Dzongkhag has been identified as a Special Economic Zone for economic expansion and diversification in the 11th Plan. This has not been included in this financial year considering the financial implications. Therefore, it was recommended that this project be included in the next financial year 2015-16 to promote socio-economic development and balanced regional development.

In response, the Finance Minister said that if the Nu. 200 million that has been allocated in the 11th Plan is not sufficient, talks will be held with the Government of India and the project will be implemented very soon. He informed that the government is working very hard towards the implementation of the project.

1.6 Number 40. Ministry for Works and Human Settlements

- 1.6.1 It was recommended that arrangements be made in order to employ national consultants for the establishment of Thromde A.
- 1.6.2 The Shingkhar-Gorgan Highway is one of the projects identified under the construction of primary national highway. The National Council recommended that budget be allocated for its construction in the next financial year although it is not included in the current budget.

- 1.6.3 The National Council also recommended that the eight Gewogs roads that have been identified for black topping be explicitly mentioned.
- 1.6.4 They also recommended that the existing poor conditions of the highways be improved and expanded and more budget be allocated for Dzongkhag roads.

In response to the above recommendations, the Minister for Works and Human Settlement informed that the plans and programs are already being formulated to start the construction of Shingkhar-Gorgan Highway. Further, she explained that the roads that require black topping have also been prioritised while the regional road divisions are reviewing the conditions and need for expansion of national highways. With regard to employment of national consultants the concerned ministry was instructed to review the matter.

1.7 Number 41. Ministry of Information

and Communication

It was recommended that existing houses should be utilised instead of construction of new Community Information Centres to curb wasteful expenditure. Further, the National Council recommended that proper information dissemination be done after its establishment to ensure that the public make maximum use of this service.

The House resolved that the concerned Ministry should study and review the matter.

1.8 Number 44. Ministry for Labour and Human Resources

The National Budget Report for the Financial Year 2014-15 has based its report on the unemployment rate of 2.1 % in 2012. However a recent report made by the Ministry of Labour and Human Resources report unemployment to be at 2.9 %. The National Council sought clarification on this.

In response, the Minister for Labour and Human Resources clarified that the unemployment rate of 2.9% reported in the Bhutan Labour Force Survey on November 2013 should be considered as official unemployment rate.

2. General Recommendations

2.1 Foreign Exchange Reserve

It was reported in the National Budget Report for the FY 2014-15 that the gross international reserve was adequate to cover 29.3 months of essential imports. However, as per the Pay Commission Report, the exchange reserve for the FY is reported to cover 9.8 months of essential imports. The National Council sought clarification on this discrepancy.

In response, the Finance Minister clarified that the 29.3 months in the National Budget Report referred to import of "essential goods" while the 9.8 months covered the " total goods and services merchandise".

2.2 Expenditure Rationalisation

The National Council recommended that the government should look into capping of civil service growth at 2%, withdrawal of government pool vehicles, capping of incountry travel budget etc in addition to the expenditure rationalisation measures reported in the National Budget Report.

The House resolved to abide by the earlier decision passed by the National Assembly

2.3 Current Expenditure

In theAnnual Budget Report, a sum of Nu. 6.548 million of capital budget has been reflected under Bhutan Education City Secretariat in Table 4.4 of the report. The National Council felt that this allocation was not necessary considering that the current government has done away with the project.

The Minister for Works and Human Settlement said since the present government has suspended the EducationCity project, there was no need to allocate capital budget. However, she submitted that there is the need to allocate current budget for the ongoing works. The House resolved as submitted by the Minister.

2.4 Capital Expenditure

The National Council applauded the new system of reflecting only the actual budget received in the capital

budget for the FY 2014-15. However, starting the activity only after the budget is confirmed will lead to delay in the project due to the prerequisites such as land survey, design and tender etc. The financial year might end by the time such activities are completed. Therefore, it was recommended that the Finance Ministry inform the concerned Dzongkhag, Divisions and Agencies to prepare for such activitiesfor those projects that had potential budget.

On this the House resolved that the concerned Ministry should consider the matter.

2.5 Local Government (Dzongkhags and Gewogs)

The National Council also recommended that the plans and programs for the Gewogs and Dzongkhags should be clearly presented in a table in the report.

The House resolved that the Ministers of the different Ministries should consider the recommendation.

2.6 Inflation

As per the Annual Budget report the increasing inflation rate is a cause of problem in the society. The increasing price of goods is an indication of dropping of income. Therefore, it was recommended that the government carry out an in-depth research to curb inflation and accordingly formulate a policy. In response the Minister for Economic Affairs informed that about 90% of free trade is transacted between Bhutan and India in accordance with the trade agreement. Moreover about 90 % of goods and services are imported from India. Therefore, the domestic inflation trend follows the price movement in India. To face these challenges the Ministry of Economic Affairs have established an agency in line with the provisions of the Consumer Protection Act to regulate the price of consumer goods.

The House resolved that the Department of Trade and Industries, Finance Ministry and the Ministry of Economic Affairs should hold a meeting and establish a committee to review the matter.

2.7 External Sector

It was reported in Chapter 6, Section 6.4 of the Annual Budget Report that one of the main concerns is the deteriorating conditions of balance of payment with India. This was because of the increase in imports of goods on account of hydro-power projects. The rupee problem is expected to continue in 2015. In order to face these challenges, the government in consultation with concerned organisations should form a top level working committee to formulate policies to prevent an economic disaster.

The House resolved that the concerned Ministry should look into the matter.

3. Recommendation on Tax Bill 2014, Chapter 3 Section 3.1

The National Council recommend that the sales tax and customs tax be levied on electric cars similar to other cars.

While some Members felt that tax should be levied on electric cars, the House decided to abide by the previous decision made where no taxes are levied on electric cars. The House also decided that there was no need to discuss on the background for the above recommendations made by the National Council.

In conclusion the Speaker expressed his hopes that the acknowledgement of the recommendations made by the National Council and its deliberations will benefit future deliberations of similar matter. The deliberations on the recommendations of the National Council on the Supplementary Budget Appropriation Bill for the Financial Year 2013-14, Budget Appropriation Bill for the Financial Year 2014-15 and Tax Bill concluded on 17 June 2014.

(20^{th} Day of the 4^{th} Month of the Wood Male Horse Year corresponding to June 17, 2014)

XVII. RATIFICATION OF RESOLUTION

The Secretary General of the National Assembly read out the resolutions of the 3^{rd} Session of the Second Parliament on 18^{th} June, 2014. Since the Members did not raise any objections to the resolutions, the House ratified the resolutions of the National Assembly.

XVIII. TRANSLATION OF THE ROYAL KASHO ON THE ANNUAL STATE OF THE NATION REPORT TO THE JOINT SITTING OF THE PARLIAMENT

Royal Assent is granted for the Public Accounts Committee to present Annual Audit Report and the Annual State of Nation Report by Prime Minister in the Joint Sitting of the Parliament as per the program scheduled on 16th and 19th June, 2014 respectively.

Granted on the 17th Day of the 4th Month of the Wood Male Horse Year.

DRUK GYALPO

XIX. ANNUAL STATE OF THE NATION REPORT

As per Section 10 of Article 10 of the Constitution, the Prime Minister of Bhutan presented the report on the State of the Nation. He expressed that although Bhutan was a small land locked country, it has managed to maintain a strong sovereignty mainly because of the exceptional relationship shared by the King, Government and the people. Further, he expressed that it was imperative to maintain such exceptional relationship.

It was informed that Bhutan attracted international admiration for its achievements in socio economic and institutional development in the last 40 years. In addition, as the prime national goal was to achieve self-reliance, the annual report was presented highlighting the importance of *Tsa-Wa-Sum*, the King, Country and the People.

His Majesty the King- The first essence of Tsa-Wa-Sum

It was reported that Bhutan is a country which has a rich cultural heritage, pristine environment and emphasizes on the philosophy of Gross National Happiness despite being a small landlocked country. Therefore, the international community regarded His Majesty as the people's King for his compassion and noble initiatives for the benefit of the people and the country. It was also told that even the Bhutanese people revered His Majesty as the people's King and a compassionate monarch.

He reported that His Majesty the King and Her Majesty the Gyaltsuen visited all the Dzongkhags and addressed the needs of the people. His Majesty also appointed His Royal Highness Prince Dasho Jigme Dorji Wangchuck as his representative to the eastern Dzongkhags which would immensely benefit the people of the six eastern Dzongkhags.

The Prime Minister reported that as per the Royal Command to commemorate the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo, the government has formed a committee and the works have commenced.

Kingdom of Bhutan-The second essence of *Tsa-Wa-Sum* Security

The personnel of the three armed forces had effectively shouldered their responsibilities under the dynamic leadership of His Majesty and has upheld the sovereignty of the country. It was reported that coinciding with the commemoration of the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo, an Armed Forces Memorial would be established next year.

Foreign Relations

It was reported that for the time being, the existing foreign relations would be reviewed and enhanced instead of making new relations although it was important to establish foreign relations for Bhutan being a small country. The new foreign relations would be continued to be established from time to time in future. The Prime Minister reported that the recent visit by His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen to India had further strengthened the Indo-Bhutan relations. He further added that he had also visited India officially on two occasions and the visit by the Prime Minister of India upon invitation to Bhutan in a short duration of time after assuming office signified the firm existence of Indo-Bhutan relations.

On behalf of the government, he expressed his gratitude to the civil servants, public servants, students and general public under the noble guidance of His Majesty for the support rendered towards the successful visit of the Indian Prime Minister.

International Boundary

It was informed that while there was no issue regarding Indo-Bhutan border, the border talks were also being continued to be held between Bhutan and China. Further, it was informed that 22^{nd} round of border talk between Bhutan and China would be held in July 2014.

The Prime Minister said that the report on the human rights submitted by Bhutan in Geneva in April 2014 drew overwhelming acknowledgment from the international community. He informed that the resettlement of people in the camps in Nepal were smoothly underway in foreign countries. It was also informed that he had conveyed to the Prime Minister of Nepal for the continued resettlement process during their meetings on two occasions.

Gross National Happiness

It was reported that 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo, the founder of Gross National Happiness will be commemorated next year. Further, a conference on Gross National Happiness under the coordination of Center for Bhutan Studies would be held in Bhutan. The conference would be attended by 200 experts from outside the country.

SustainableandEquitableSocio-EconomicDevelopment-First Pillar of Gross National Happiness

Health

The Prime Minister reported that the health services were being delivered to the people with 25 hospitals, 205 Basic Health Units, 19 ORCs, 193 doctors, 455 health workers,799 nurses and three referral hospitals in the country. However, in order to enhance the services, it was decided that the Jigme Dorji Wangchuck National Referral Hospital would be granted autonomy.

It was reported that in the last one year, one thousand patients were referred outside the country which incurred Nu.170 million on the government. Therefore, the Prime Minister urged the people to forsake alcohol consumption and smoking and embrace physical exercise and consume healthy food. He informed that as per the royal command of His Majesty the Fourth Druk Gyalpo in the year 2000, the former Health Minister Lyonpo Sangay Nyedup instituted the Health Trust Fund which amounts to Nu.1241 million at present. He also reported that the Ministry of Health has started assessment pertaining to drinking water so that clean drinking water would be provided to all the people.

Education

The Prime Minister informed that although education was imparted for free, the quality of education and decorum in schools were deteriorating. Therefore, the government had introduced a programme to improve schools which also had the support of the people and the improvement works would be carried out despite high cost. He also informed that among tertiary institutions, Sherubtse College would be provided with special support and start up-gradation works. Further, 17% of the present year's national budget was allocated to education sector.

It was reported that the quality of education was deteriorating mainly because of decline in reading habits. Therefore, as the nation celebrates the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo, 2015 would be marked as a year for reading. Further, the Jigme Dorji Wangchuck Public Library would be enhanced and E-Library would be instituted with the support from the Prime Minister of India.

Poverty

It was informed that 2347 households were reported to be poor after the government ordered a survey in Dzongkhags and Gewogs. These people were not only being granted Kidu by His Majesty but were also being helped by Tarayana Foundation under the auspices of Her Majesty the Queen Mother Ashi Dorji Wangmo Wangchuck and other CSOs. In the last one year, His Majesty granted land Kidu of 75,327 acres worth Nu.1, 100million to 75, 265 households as poverty mainly resulted from inadequate land. In addition, it was reported that the government had plans to renovate existing farm roads and purchase machinery and send it to the Dzongkhags to construct new farm roads.

Economic Growth

The Prime Minister reported that the GDP of Bhutan stood at Nu.104 billion and Bhutan's economy was ranked 166 out of 190 countries. Bhutan's economy increased by 4.7 % in between the year 2012-13 and it was expected to increase by 6.8 % in the current year. However, it was reported that the national debt stood at Nu. 106 billion which surpassed the GDP.

The Foreign Currency Reserve of the country was reported to be amounting to USD 895 million and Rs. 10 billion. Although the foreign currency reserve was not bad, inflation and huge trade deficit remains. Therefore, it was informed that the government would assert on the five identified jewels of economy.

First Jewel of Economy- Hydropower

Revenue generation from the hydropower was Nu.13 billion in the last one year and since the electricity tariff was increased from Nu. 2 per unit to Nu.2 and 25 chheltrum per unit, Nu.450 million of revenue were being

generated. In addition to the current production of 1, 500 Megawatt of electricity, Punatsangchu 1 and 2 and Mangdechu hydropower plants capable of producing 2940 megawatts were being constructed.

It was reported that Punatsangchu 2 and Mangdechu hydro power plants would be complete by the year 2017 and Punatsangchu 1 hydropower plant was expected to be completed by 2018.

The Prime Minister reported that the 600 megawatt Kholongchu Hydropower project which was inaugurated for construction by the Prime Minister of India would immensely benefit the eastern Dzongkhags. The discussions were also underway to soon start the construction of Sunkosh, Kurigangri and Amochu hydropower projects. Further, it was reported that Dagachu Hydropower plant would be commissioned in July 2014 and it was also decided to start Nikachu Hydropower project. Research works were also being carried out to construct Rothpashong, Nyeriamari, Gamri and Dagachu Hydropower project II. Further, Druk Green Power Corporation and Alstrom Company were jointly building a hydropower service center in Gelephug.

The Second Jewel of Economy-Agriculture

It was reported that agriculture contributed only 14 % towards the economy although 69 % of the Bhutanese depended on agriculture for their livelihood. Further, in

2012, Nu.890 million worth of dairy products, Nu.922 million worth of meat products, Nu.305million worth of vegetables, Nu.1249million worth of rice and Nu.716million worth of cooking oil were imported. Therefore, it was an issue of concern when a total of Nu.4936 of food items was imported. It was urged that the people had to emphasize on agriculture to achieve self-reliance and the government would also emphasize on Chabney Sum- a strategy to increase production, access and market.

The Third Jewel of Economy-Tourism

The Prime Minister reported that a total of 160,000 tourists visited the country in the last one year and benefitted the economy with Nu.16.2 billion with Nu.1.1 billion generated towards government revenue. Tourism also proved job opportunities to 18,220 youth and the plan to attract tourists throughout the year was going on well. Further, it was reported that toilets for tourists were being constructed along the highways and the year 2015 would also be marked as the Tourism year coinciding with the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo.

The Fourth Jewel of Economy-Small and Medium Enterprises

It was reported that although there were 12,000 small and medium enterprises in the country, their contribution to the economy was only 3 %. The small and medium enterprises were important to achieve self-reliance and therefore the government would double the number of small and medium enterprises in the 11th Plan which would benefit towards economy by 10 %. Also, it was reported that the government aimed to create 21,000 job opportunities and Nu.1900 million was set aside with Business Opportunity and Information Center to provide loan with minimum interest to youth taking up business after their education.

The Fifth Jewel of Economy-Mining

It was reported that although Bhutan had quality minerals, mining contributed only Nu. 2,000 million to the economy which was less than 2%. The contribution to the government revenue was only Nu. 434 million. Further, the government would establish State Mining Corporation and the revenue from it would be contributed towards school reform.

The Prime Minister reported that the following were measures to support the five jewels of economy:

- First-The Economic Development Policy is being reviewed
- Second-The Foreign Direct Investment Policy is being reviewed
- Third-Enhancement of Bhutan's Ease of Doing Business

- Fourth-Support and Develop the Private Sector
- Fifth-Improve Banking System
- Sixth-Improve the Infrastructure
- Seventh-Network captivity being upgraded
- Eight-Inflation needs to be controlled
- Promote local products and reduce dependence on foreign goods

The Second Pillar of Gross National Happiness-Preservation and Promotion of Culture

The Prime Minister reported that national language Dzongkha was one of the important aspects of the Bhutanese culture and it was also important to preserve the world renowned Dzongs in the country. In the last one year, renovation works have been completed for Lhuentse Dzong, Daga Trashiyangtse Dzong and Paro Rinpung Dzong. In addition, renovation works were underway for Gasa Dzong, Trashigang Dzong, Phajodhing Lhakhang, Paro Ta Dzong and Lhakhang Karpo. It was also reported that works to construct new Pema Gathsel Dzong was being continued and works had also been started to construct new Wangduephodrang Dzong.

He reported that Buddha dharma was flourishing due to the noble initiatives of His Holiness the Je Khenpo, the Royal Family and other religious personalities. Moreover, the number of nuns had increased because of the noble initiative of Her Majesty the Queen Mother Ashi Tshering Yangdon Wangchuck. It was also reported that as per the Royal Command, a Hindu temple was being built in Thimphu at the cost of Nu.89 million and further a Hindu temple would also be constructed in Samtse.

The Third Pillar of Gross National Happiness-Conservation of Natural Environment

The Prime Minister reported that the government had started a survey to ascertain the forest coverage of the country although it was said that Bhutan had 81% of forest coverage. His Majesty the Fourth Druk Gyalpo was internationally recognized as the champion of environmental conservation and has been conferred with many medals. Therefore, he reported that the projects of 'Clean Bhutan' and 'Green Bhutan' started by the government are dedicated to the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo.

It was informed that Her Majesty the Gyaltsuen had also been emphasizing on environmental conservation and the World Environment Day was observed coinciding with the Birth Anniversary of Her Majesty. Although the natural environment of the country was good, the country was affected by natural disasters. The Prime Minister expressed his gratitude to His Majesty the Druk Gyalpo, Armed Forces and Dessung for rendering support in the times of natural disasters.

The Fourth Pillar of Gross National Happiness-Good Governance

Democracy

The Prime Minister informed that it was imperative to be mindful of the Royal Command of His Majesty although people well understood democracy. Further, the government would form a Task Force to review all laws, policies, rules and regulations to ascertain the benefits and problems to the people.

Civil Servants

It was reported that internationally Bhutanese civil servants were considered qualified and His Majesty recognized the hard work of the civil servants and granted service medals to 13,810 civil servants during the 106^{th} National Day celebrations. It was informed that the civil servants should serve the *Tsa* -*Wa* -*Sum* bearing in mind the noble guidance granted by His Majesty.

The Prime Minister reported that the government had launched Google Apps which would benefit the works of the civil servants and reduce cost by reducing paper consumption. It was informed that this year's target was to register 5,000 civil servants on Google Apps and all other educationist, teachers and 20,000 students could avail the system free of cost. The main objective of this system is for timely delivery of services by facilitating services like availing timber and trade permits and others. In addition, the nerve center of G2C would be under the direct supervision of the Prime Minister.

He reported that an amount of Nu.1,799 million has been incurred on the pay revision of the civil and public servants. It was also reported that the National Housing Development Corporation should address the issues of inadequate housing as it remains a major problem despite the government having granted housing allowances to the civil servants.

The pay of Members of Parliament and Cabinet Ministers were also revised vis-à-vis civil servants. It was reported that the Prime Minister had decided to draw his salary equal to the salary of the Ministers. The additional amount Nu. 50,000 per month would be accumulated which would be later donated to charity organizations.

Constitutional Bodies

The Prime Minister said that the Constitutional Bodies were important in a democracy and these bodies were serving well. It was informed that the Supreme Court of Bhutan had been inaugurated by the Prime Minister of India. Further, he also expressed that the government would render all support towards the establishment of Law instituted under the leadership of Her Royal Highness Princess Sonam Dechan Wangchuck.

The Prime Minister said that the former Royal Civil Service Commission served well without failure and he hoped that the present commission would also serve similarly. He further said that the government would work with the Royal Civil Service Commission as per the system.

Local Government

It was reported that as per the policy of delegation of power, Nu. 20 Lakhs was provided towards Gewog Development Grant which were reportedly benefiting. The Prime Minister also reported that one Thromde was required for each Dzongkhag as per the Local Government (Amendment) Act passed by the Parliament. Therefore, although works pertaining to Thromde plans for three Dzongkhags were completed, works for other Dzongkhags were underway.

Media

The Prime Minister said that Media plays a crucial role in democracy and there were 11 Newspaper organizations, seven registered magazines, six radio stations and one TV station in the country. He informed that the government's budget towards advertisements which were the main source of revenue for the media has not been reduced but increased. Further, it was informed that to enhance media sector, a project funded by external aid has been formulated. Also, Nu.150million was allocated to Bhutan Broadcasting Corporation and the Right to Information Act was passed by the National Assembly.

Civil Society Organizations

It was said that the Civil Society Organizations had immensely benefited culture, environment, vocational works and many others. In addition, gratitude was expressed to the Bhutan Olympic Committee under the leadership of His Royal Highness Prince Dasho Jigyel Wangchuck for its support to the youth in the field of sports.

People

It was reported that the youth unemployment rate stood at 9.6 % although health and education services were provided free of cost in the country. In the 11th plan, 75 thousand job opportunities are needed to be created and the government had send 328 youth to work overseas. The government would start a programme to guarantee employment with minimum salary of Nu.7, 500 per month. Therefore, he said that it was hoped that the youth would emphasize on work and not on drugs and the government would deal strictly with drug abusers.

The Prime Minister said that although the preliminary exam for civil service common examination could not be done away as per the civil service laws and rules in the last occasion. However, the government was in continued discussion with the Royal Civil Service Commission on the issue.

He reported that the status of women was good in the country with 42 % of students in Higher Secondary Schools, 52 % in Junior High Schools and 50 % in Primary Schools being female. However, the percentage of women in the civil service was 37.37 % with only 20 women in the executive level. Further, quota for women was felt necessary as there was only 1 female out of 205 Gups, 4 women Member of Parliament in the National Assembly and no elected women in the National Council. Therefore, it was informed that the government would consult with the people and the relevant agencies on the issue. Further, it was informed that Her Majesty the Queen Mother Ashi Sangay Choden Wangchuk has been constantly looking into the welfare of women.

It was reported that there were 35 thousand people above the age 65 and 2, 347 stricken by poverty and other 803 physically handicapped people in the country. The Prime Minister informed that these sections of society were granted various assistances by His Majesty and royal scholarships were also granted to the children from humble families to continue their education.

Lastly, the Prime Minister reported that in the last 11 months of the present government, it had emphasized on seeking funds for the plan budget and strengthening of the economy. He also pledged that even hereafter, the government would serve the *Tsa-wa-Sum* dedicatedly and urged the people to render their support and cooperation. On behalf of the people and the Parliament, The Prime Minister expressed his gratitude to His Majesty the Druk Gyalpo for the royal support and guidance and granting inspirations. The annual report was concluded after the Prime Minister offered his prayers for the people to always find sanctuary in the philosophy of Gross National Happiness and continue to enjoy peace and happiness.

XX. CLOSING CEREMONY

20.1 Motion of Thanks

On behalf of the Ruling Government, the Minister for Labour and Human Resources submitted that it was most fortunate and highly privileged for the all the Members of the Parliament to have His Majesty the Druk Gyalpo grace the closing ceremony of the Third Session of the Second Parliament. He expressed the deep gratitude to His Majesty the Druk Gyalpo for honouring seven armed force personnel for refusing bribes and servicing the nation with utmost loyalty and dedication, coinciding with the Birth Anniversary of Her Majesty the Gyaltsuen. This, he said will create a precedence and example to other citizens and inspire them to refrain from corrupt activities.

As the King endears his subject and the subject aspire for peace and the foundation of peace is law, His Majesty the King has commanded to review the existing laws and rules and regulations. He expressed his gratitude to Majesty the King for the command because this will greatly benefit the public because their confidence rests in the laws of the country especially in a democratic system of governance.

His Majesty the King is not only the Head of the State but also the Supreme Commander in Chief of the Armed Forces and the Militia. On behalf of the government, the Labour Minister said they were grateful to His Majesty the King for granting the teachers and the graduates an opportunity to undergo Dessung Training. Till date 12 batches of Dessups have passed out.

His Majesty the King has also given a special command to construct a Shiva Mandir in Samtse Dzongkhag for the benefit of all sentient beings. The Labour Minister said that the people of Samtse Dzongkhag are very grateful to His Majesty the King and expressed his deep appreciation. **On behalf of the National Council,** the Member from Lhuntse Dzongkhag submitted that he was very fortunate to be able to express appreciation to His Majesty the Druk Gyalpo. He said that the Members will only become fully aware of the problems faced by the people only when they personally visit their constituencies. He expressed his deep appreciation to His Majesty the Druk Gyalpo for personally visiting and meeting with all the people in the country considering their welfare and wellbeing and treating the people like a mother treats her only child.

He said the two houses always deliberate on issues and offer check and balance considering the immediate and future benefit of the country. However, since members are elected officials there is a risk of members considering immediate benefit to themselves rather than the welfare of the country. Therefore, he submitted his deep gratitude to His Majesty theKing for the continued guidance and wise advice which has immensely benefitted the members in carrying out their duties.

From the Opposition Party, the Member from Panbang constituencyon behalf of the Opposition Party, the government and the members of both the Houses, submitted his gratefulness to His Majesty the King for gracing the closing ceremony of the Third Session of the Second Parliament. He said that although Bhutan has been

an independent country since time immemorial, happiness reigned in the country only after the institution of hereditary monarchy. The institution of hereditary monarchy is the tree of life for the spread of Buddhism, sovereignty of the country and the peace and happiness of the people. He expressedunfathomable gratitude to His Majesty the King for and the Monarchs for spreading the fame of our country far and wide and for the continued peace and tranquillity in the country. He also offered the oath to serve the country and continue to work hard with body, speech and mind.

Further, he reminded that His Majesty the Druk Gyalpo had also advised to prioritise plans and programs to work towards fulfilment of the aspirations of the people and the state, to take on the responsibility and face the challenges of making our country self-sufficient and self-reliant. His Majesty the King advised the government to work selflessly for the long term welfare of the people and the country. He submitted that it was the responsibility of the Parliament under the leadership of the Prime Minister to fulfil the command of His Majesty the King to honour His Majesty the Fourth King and celebrate His Majesty the Fourth King's 60th Birth Anniversary.

He further thanked His Majesty the Druk Gyalpo for further strengthening the existing ties of friendship between Bhutan and India, with the recent visit of the Indian Prime Minister Narendra Modi to Bhutan.

In conclusion on behalf of the government, National Council and the Opposition, he prayed that under the wise leadership of His Majesty the King, the security and sovereignty of the country, peace and happiness of the people will continue to perpetuate and that the development activities will be carried out in line with the policy of Gross National Happiness to achieve the goals of the nation. He also offered prayers for the long life of His Majesty the King and peace and happiness of the people under His Majesty's wise leadership for centuries to come.

20.2. Concluding Speech by the Speaker

The Speaker on behalf of the members of the Parliament expressed deep appreciation to His Majesty the King for gracing the closing ceremony of the Third Session of the Second Parliament. He also welcome the members of the Royal Family to the closing ceremony.

The Speaker informed that, the two Houses were not able to reach a consensus on some clauses of the National Council Bill, the Local Government (Amendment) Bill and theNational Assembly (Amendment) Bill. Therefore, as per Article 13 (8) of the Constitution of Bhutan, these Bills will be submitted to His Majesty the King. Similarly, he informed that the Right to Information Bill was discussed in the 2nd Session of the National Assembly and presented to the National Council. However, National Council have submitted to the National Assembly to withdraw the Bill in accordance with the Legislative Rules of Procedure citing lack of time. Therefore, the Bill will be submitted to His Majesty the King under the provisions of the Constitution as a disputed Bill.

The Speaker said that a total budget of Nu. 40,355.837 million has been approved for Financial Year 2014-15 for the successful implementation of the developmental activities in the 11^{th} Plan.

The Speaker said that while deliberation on the Annual Anti-Corruption Report and Annual Audit Report for the Year 2013, it was evident that the Ministries and Agencies have done a good work in strict compliance with the laws. He also said that compared to the past, corruption cases have reduced mainly because of the support rendered by the public. However, there are many reports of unresolved irregularities involving embezzlement, therefore it is imperative for the concerned Ministries and Agencies to make concerted efforts to resolve these irregularities.

The Speaker on behalf of the Parliament and on his own behalf thanked the Prime Minister for presenting a report on the present achievements of the government and its future policies and plans based on the philosophy of Gross National Happiness which emanated from the hearts of Their Majesty the Kings. The report was presented for the duration of three hours encompassing good governance, sustainable socio-economic development, cultural preservation and environmental conservation.

He said that the Hon Prime Minister of India, Shri Narendra Modi and senior Indian Official visited the country, on the invitation by the Royal Government under the noble leadership of His Majesty. During the visit, the Prime Minister of India delivered a historical and valuable address to the Joint Session of Parliament. He expressed his appreciation for the Bhutanese democracy which has been strengthened in a very short span of time and the role played by Bhutan in combating global warming. The Speaker said that, the Prime Minister of India conveyed the support of the Government of India to double the scholarships to Bhutanese students, initiate E-Library in Bhutan and support tourism to build a network between Bhutan and North-Eastern States of India. Further, the Prime Minister of India also inaugurated the Supreme Court and laid the foundation stone for the Kholongchu Hydro Power Project. The Speaker on behalf of the Parliament, said that he was very grateful to the Prime Minister of India for further strengthening the existing Indo-Bhutan ties.

The Speaker also expressed the gratitude of the Parliament to His Holiness the Je Khenpo and the Central Monastic Body forconducting prayers for the long life and wellbeing of Their Majesties, the Members of the Royal Family and for the various religious initiatives undertaken for spread of Buddhism and peace and happiness of the people of Bhutan.

In conclusion, he expressed his gratitude for the successful completion of the 3rd Session of the Second Parliamentbecause of the blessings of the Triple Gem, noble guidance of His Majesty the Druk Gyalpo, support and cooperation of all the Members of Parliament and the collective merit of the Bhutanese people. He also offered prayers for the long life of His Majesty the Druk Gyalpo, Her Majesty the Gyaltsuen and the Members of the Royal Family.

The 3^{rd} Session of the Second Parliament concluded on June 20, 2014.

 $(23^{rd}\ Day$ of the $4^{th}\ Month$ of the Wood Male Horse Year corresponding to June 20, 2014)



June 20, 2014

(Jigme Zangpo) SPEAKER

RESOLUTIONS ON BILLS

I. THE NATIONAL COUNCIL (AMENDMENT) BILL 2014

The Chairperson of the Legislative Committee presented the National Council (Amendment) Bill 2014 for the First Reading and adoption for discussion on the 20thDay of the 3rd Month of Wood Male Horse Year corresponding to May19, 2014. The House adopted the Bill for discussion.

During the Second Reading, Chairperson informed that, the institution of the National Council was established in 2008 with the introduction of parliamentary democracy in accordance with the Constitution of the Kingdom of Bhutan. The two Houses performing legislative functions were established for the purpose of check and balance.

Besides its legislative functions, the National Council acts as the House of review on matters affecting the security and sovereignty of the country and the interests of the nation and the people that needs to be brought to the notice of the Druk Gyalpo, the Prime Minister and the National Assembly.

However, in the event of the dissolution of the National Assembly on the completion of its term or without the completion of its term, the Interim Government is constituted within ninety days. The National Council is a continuous House and thus is entrusted with the responsibility to review and monitor the functioning of the Interim Government.

It is observed that in the past, a council member who intends to take part in the next election had to resign though there is no clear provision as such in the Constitution or relevant laws. The laws were interpreted in ways causing few inconveniences. The legal opinion of the Supreme Court on this point to the Druk Gyalpo is that as per Article 10 (24) of the Constitution and section 11(12) of the National Council Act reiterates that the rationale for maintaining the National Council as a continuous house thereby stating that a member can take part in election without resigning.

However during the electoral process, the laws were interpreted in such a manner that one had to resign to take part in the election. In the event such practices are continued, it is doubtful how the continuity of the National Council could be ensured in the future.

Recognizing that the Supreme Court is the guardian of Constitution and the final authority on its interpretation as per Article 1(11) of the Constitution and that to avoid confusion henceforth, it is necessary to understand the rationale for the continuity of the National Council and the laws have to be understood in the same manner by all the institutions. Moreover to further strengthen the apolitical nature of the National Council for the welfare of the country and the people, the National Council deliberated the National Council Act of Bhutan 2008 and amended 17 sections, proposed 14 new sections and deleted 1 section thereby hoping that the House shall extend support towards the National Council (Amendment) Bill.

With this, the Speaker forwarded the Bill to Legislative Committee for review and directed the Committee to also review other clauses for amendment if required. This concluded the Second Reading of the Bill.

 $(20^{th}\ Day$ of the $3^{rd}\ Month$ of the Wood Male Horse Year corresponding to May 19, 2014)

1.1. Motion to pass the National Council (Amendment) Bill 2014

The National Assembly deliberated on the National Council (Amendment) Bill 2014 on May 23 and May 26, 2014 for two days. After extensive deliberation on the Bill the necessary changes and amendments were made to the Bill.

On the 29th Day of the 3rd Month of Wood Male Horse Year corresponding to May 27, 2014, the Legislative Committee moved the motion to pass theNational Council (Amendment) Bill 2014. From the total of 38 Members present and voting, 36 voted YES and 1 voted NO and 1 Abstained. The National Assembly adopted the National Council (Amendment) Bill 2014 based on majority on May 27, 2014 at 12:30 pm.

 $(29^{th}\ Day$ of the $3^{rd}\ Month$ of Wood Male Horse Year corresponding to May 27, 2014)

II. THE LOCAL GOVERNMENT MEMBERS ENTITLEMENTS BILL 2014

The First and Second Reading of the Local Government Members Entitlements Bill 2014 was tabled during the Second Session of the Second Parliament by the Minister for Home and Cultural Affairs on the 15th Day of the 12th Month of the Water Female Snake Year corresponding to February 14, 2014. The Bill was then forwarded to the Good Governance Committee for review and to be reported in the Third Session.

The Chairperson of the Good Governance Committee tabled the Local Government Members Entitlements Bill 2014for Third Reading and accordingly the National Assembly deliberated the Bill on May 19 and May 20, 2014.

On the 22nd Day of the 3rd Month of Wood Male Horse Year corresponding to May 21, 2014, the Minister for Home and Cultural Affairs, Member In-Charge of the Bill moved the motion to pass theLocal Government Members Entitlements Bill2014. From total of 42 Members present and voting, 39 voted YES and 2 voted NO and 1 Abstained and adopted the Bill.

It was resolved that regarding the *Gyadrungs* of the Local Government, the Home Ministry and Royal Civil Service Commission should hold discussion and report back during the deliberation of the Pay Commission Report. Further it was also resolved that the *Thrompons* shall be entitled to mobile phone voucher allowance at par with the *Gups*.

While submitting general opinion on the Bill, the member from*Pangbang* constituency representing the Opposition Party mentioned that as submitted in the Second Session of the Second Parliament, the Local Government Members Entitlements Bill was included for discussionin this Session by the Government. This due compliance by the Government, signifies the good relationship between the Ruling and the Opposition Party.

Though in favour of the Bill, he pointed out dissatisfaction with four provisions in the Bill one amongst which was the inequalities in the mobile phone voucher allowance among the Local Government members. Further an equivalent allowance for the additional responsibility that the the Chairperson and Deputy Chairperson of *Dzongkhag, Thromde, Gewog* shouldered could not be given. The duly deserving allowance for the Deputy Chairperson of Thromde *Tshogde* could also not be endorsed.

He also expressed his disappointment for not providing leave provision in the Bill, for the *Tshogpas*. He also submitted that the Home Ministry should look into solving the problems faced by the *Gyadrungs* and the *Chipons*..

The member from*Doga-Sabha constituency* also expressed dissatisfaction for not being able to incorporate a provision providing for child care allowance equivalent to minimum wage for the Local Government female leaders with children below the age of six months.

The Minister for Works and Human Settlement the entitlements of acknowledged that the Local Government members was a recurrent issue. The same has also been pointed out during the annual conference of the Gups. Being mindful of the increasing responsibilities of the Local Government members, the Government has tabled the Local Government Members Entitlements Bill in the Parliament at the earliest. The affirmation of the House to the call to deliberate and adopt the Bill, being heedful to

the responsibility of the Local Government member and their deserving entitlements which has resulted into an adoption f a good Act should not be a cause for sadness or concern. With this concluded the deliberation of the Local Government Members Entitlements Bill 2014 concluded.

 $(22^{nd}\ Day$ of the $3^{rd}\ Month$ of Wood Male Horse Year corresponding to May 21, 2014)

III. TOBACCO CONTROL (AMENDMENT) BILL 2014

The Chairperson of the Legislative Committee presented the Tobacco Control (Amendment) Bill 2014 for the First Reading and adoption for discussion on the 20thDay of the 3rd Month of Wood Male Horse Year corresponding to May 21, 2014. The House adopted the Bill for discussion.

During the Second Reading, Chairperson informed that, Bhutan initiated anti-tobacco activities since 1980. In 2004, sale of tobacco products was banned in the country following the 82nd resolution of the National Assembly for which Bhutan won an award of recognition for becoming the first nation in the world to ban tobacco.

Bhutan signed the Framework Convention on Tobacco Control (FCTC) on December 9, 2003 and the National Assembly ratified it in August 2004. This became the first legal instrument to ban tobacco. He further informed that, Tobacco control laws date back as early as 1729 ensuring that religious institutions and Dzongs remained tobacco free. The Chairperson also pointed out that the Constitution of Bhutan provides for free health services. The Tobacco Control Act of Bhutan 2010 was passed for the benefit of public health and wellbeing of the people. However, owing to various problems during the implementation of the Act, it was amended in 2012.

With the implementation of the Act, problems increased with the number of people convicted in the society rising. There was also an increase in people involved in black market. The National Council with the objective to solve these issues related to the Tobacco Act, amended and endorsed the Tobacco Control (Amendment) Bill 2014. The Bill has then been tabled to the National Assembly.

Submitting his view, the member of *Khar Yurung* constituency mentioned that Bhutan is a religious country and recognizing the harmful effects of tobacco, it was banned in 18 *Dzongkhags* in 2001. Further in 2004, the representatives from all the 20 *Dzongkhags*, stood united and elaborately deliberated and resolved to ban tobacco during the 82nd Session of the then National Assembly.

In absence of a legislation to implement the National Assembly resolution, the relevant enforcing agencies could not successfully enforce the ban. In view of this, the relevant Ministry, Department, Agencies in collaboration with the people, initiated awareness programmes and the drafting of the Tobacco Control Bill. The final draft was presented in the First Parliament wherein it was deliberated and passed.

He expressed his feelings that the National Council was amending the Bill, sympathising with those convicted for tobacco related offences. However, he said it is was also important to sympathize with those hundreds of people who do not indulge in tobacco but are at risk of life threatening disease due to the passive smoking.

It is observed that people consuming tobacco products have increased as compared to the past years with the news of amendment of Tobacco Act. Thus, it becomes necessary that the members should deliberate the Act setting aside their interest and being mindful of the welfare of the country and the people. Further he also reminded that the policy of decentralization of the new elected government, it was imperativeto hold discussions with the people to get their views and discuss on it.

Extending their support, the Home Minister and some members submitted that it is important to bear in mind the reasons behind the amendment of the Act and why there was a need to review and table it for amendment in the Parliament yet again. He said it was also important to consider where and what went wrong. The past Parliament recognising the incompatibility of use of tobacco in a Buddhist state and also the ill effects it had on health, drafted the policy and endorsed the Tobacco Control Act. However, there was a gap between the drafting of the Act and principle causing inconveniences in its implementation.

Therefore, he said it had becomeimperative for the House to agree on the same objective and principle considering the present and future wellbeing of the people while deliberating the amendment of the Act. Further it is also important to review and deliberate on the individual rights and the social wellbeing. Moreover the enforcement agencies of the Act should also ensure smooth implementation of the actand create an amicable environment for the public.

The member from *Panbang* Constituency submitted that the deliberation on tobacco control by the members in the Parliament was not an endeavour to restrict the rights of the people to use tobacco. Furthermore it is important that the people of Bhutan understand that discussions are based on the considerations for the health and happiness of the people and the ill effects of tobacco on health.

He also submitted that the Tobacco Control (Amendment) Bill 2014 received from the National Council, be discussed as a new bill and not as an amendment Bill. This he said was because, the Tobacco Control Act 2010 was amended in 2012 with the amendment of few provisions in the Act. He pointed out that although these same provisions are again amended, it has not been clearly mentioned which provisions of the Amendment Act 2012 are being repealed. He feared that this may cause confusion while enforcing the act in the future causing inconvenience of the people.

Concluding the deliberation, the Speaker directed the Legislative Committee to note the submissions made by the members on the tobacco control related issues and review the Bill thoroughly and report on the same during the Third Reading of the Bill.

 $(22^{nd}\ Day$ of the $3^{rd}\ Month of the Wood Male Horse Year corresponding to May 21, 2014)$

3.1. Motion to pass the Tobacco Control (Amendment) Bill 2014

The Legislative Committee tabled the Tobacco Control (Amendment) Bill 2014 for Third Reading to the National Assembly on June 3 and June 4, 2014. The House deliberated extensively on the Bill for two days.

On the 8th Day of the 4th Month of Wood Male Horse Year corresponding to June 6, 2014, the Legislative Committee moved the motion to pass the Tobacco Control (Amendment) Bill 2014. From the total of 44 Members present and voting, 37 voted YES and 5 voted NO and 2 Abstained and adopted the Bill at 12:30 pm.

 $(8^{th}\ Day$ of the $4^{th}\ Month$ of Wood Male Horse Year corresponding to June 6, 2014)

IV. BIOSAFETY BILL OF BHUTAN 2014

The Member In-Charge of the Bill, the Minister for Agriculture and Forest tabled the Biosafety Bill of Bhutan 2014 for First Reading and Second Reading of the Bill on 24th Day of the 11th Month of the Water Female Snake Year corresponding to January 27, 2014 in the Second Session of the Third Parliament. The Bill was then referred to the Environment and Urban Development Committee.

TheEnvironment and Urban Development Committee tabled the BiosafetyBill of Bhutan 2014 for the Third Readingon 21-22 May 2014 in the Third Session of the Second Parliament.

After extensively deliberating on the Bill for two days, the Member In-Charge of the Bill, the Minister for Agriculture and Forest moved the motion to pass theBiosafety Bill of Bhutan 2014 on the 24th Day of the 3rd Month of Wood Male Horse Year corresponding to May 23, 2014. From the total of 39 Members present and voting, 36 voted YES and 2 voted No and 1 Abstained and adopted the Bill at 12:30 pm.

Following which the Speaker opened the floor for submission of general opinion on the Bill. Since no one submitted any general opinion the deliberation on the Biosafety Bill of Bhutan 2014 concluded.

 $(24^{th}\ Day$ of the $3^{rd}\ Month$ of Wood Male Horse Year corresponding to May 23, 2014)

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V. THE TENANCY (AMEDNMENT) BILL OF THE KINGDOM OF BHUTAN 2014

The Minister for Works and Human Settlement, Member In-Charge of the Bill presented the Tenancy (Amendment) Bill 2014 for the First Reading and adoption for discussion on the 24th Day of the 3rd Month of Wood Male Horse Year corresponding to 23rd May 2014. The House adopted the Bill for discussion.

During the Second Reading, the Minister for Works and Human Settlement submitted that the Tenancy Act of the Kingdom of Bhutan 2004 was enacted by the 82nd Session of the National Assembly to provide equal protection, rights and duties to both the Landlord and the Tenants through systematic procedures and amicable settlement of disputes.

The Tenancy Act of the Kingdom of Bhutan 2004 was amended with the aim to make the Act more effectively implementable and to designate a specific agency under the Ministry to monitor the implementation of the Act. Further it is also aimed to establish Disputes Settlement Committees and for setting out clear procedures/guidelines for landlords and tenants. With this the Bill was referred to the Economic Development and Private Sector Committee for review.

 $(24^{th}\ Day$ of the $3^{rd}\ Month$ of Wood Male Horse Year corresponding to $23^{rd}\ May\ 2014)$

5.1. Motion to defer the adoption of the Tenancy Bill of the Kingdom of Bhutan 2014

In accordance with the Daily Business Order the Motion to pass the Tenancy Bill of the Kingdom of Bhutan was scheduled on June 12, 2014. However, Speaker informed that the Economic Development and Private Sector Development Committee could not review the Bill because the officers and the staff of the Secretariat were occupied with the preparation for the visit of the Prime Minister of India, His Excellency Narendra Modi to Bhutan and His Excellency's address to the Joint Sitting of the Parliament on June 15, 2014. He therefore moved the motion to defer the adoption of the Bill to June 18, 2014.

The House supported the motion and the adoption of the Tenancy Bill of Kingdom of Bhutan was deferred to June 18, 2014.

5.2. Motion to pass the Tenancy Bill of the Kingdom of Bhutan 2014

On the 21st Day of the 4th Month of Wood Male Horse Year corresponding to June 18, 2014, the Minister for Works and Human Settlement, Member In-Charge of the Bill moved the motion to pass theTenancy Bill of the Kingdom of Bhutan 2014. From the total of 42 Members, 39 voted YES and 2 voted NO and 1 Abstained and adopted the Billat 10:20 am.

 $(21^{\rm st}$ Day of the $4^{\rm th}$ Month of Wood Male Horse Year corresponding to June 18, 2014)

VI. PARLIAMENTARY ENTITLEMENT (AMENDMENT) BILL OF BHUTAN 2014

The Chairperson of the House Committee, Member In-Charge of the Bill submitted that as resolved in the preliminary agenda meeting for the Third Session of the Second Parliament held on 5th May, 2014, the amendment of the Parliamentary Entitlement Act of Bhutan 2008 was presented as the Parliamentary Entitlement (Amendment) Bill of Bhutan, 2014 for the First Reading and adoption for discussion on the 1st Day of the 4th Month of Wood Male Horse Year corresponding to May 29, 2014. The House unanimously adopted the Bill for discussion.

During the Second Reading, the Chairperson informed that though Parliamentary Entitlement Act of Bhutan 2008 was endorsed, there were some hitches in its implementation thereby calling for an amendment. The entitlements and financial amounts were not mentioned in the Bill and the sole objective of the amendment was to ensure smooth implementation of the Act. He added that the amendment Bill was deliberated in the House Committee and then presented to the other members who also submitted their recommendation. He also reported that the 17 points amendment was tabled before the House for their consideration. The Bill was then referred to the House Committee for further review.

6.1. Deferment of the deliberation on the Parliamentary Entitlement (Amendment) Bill of Bhutan 2014

On June 2, 2014, the Third Session of the Second Parliament deliberated on the amendments to the Parliamentary Entitlement (Amendment) Bill of Bhutan, 2014. Although the House passed many of the provisions of the Bill, an agreement could not be reached on Section 20 (a) to (d) regarding lumpsum amount to purchase a vehicle free of customs duty, sales tax and other government levies, monthly driver's allowance and monthly fuel and maintenance allowances respectively. The House also agreed that there was a need to further review Section 16 and Section 17 of the Bill. To review these provisions, an ad-hoc 9 member Committee led by the Finance Minister, Minister for Home and Cultural Affairs, Minister for Trade, Leader of the Opposition, Chairman of the House Committee, Members from Panbang, Dremetsi- Ngatsang, Bje-Katsho and Phuentsholing constituencies was formed. The Committee was directed to report back to the House on June 4, 2014. Therefore, the deliberation on the Parliamentary Entitlement (Amendment) Bill of Bhutan, 2014 was deferred to June 4, 2014.

 $^{(5^{\}rm th}$ Day of the $4^{\rm th}$ Month of the Wood Male Horse Year corresponding to June 2, 2014)

6.2. Report by the Ad-hoc Committee on Parliamentary Entitlement (Amendment) Bill of Bhutan 2014 on June 4, 2014

The Chairperson of the Ad-hoc Committee, the Finance Minister reported on the review of the provisions of the Parliamentary Entitlement (Amendment) Bill of Bhutan 2014 on June 4, 2014 as directed by the House on May 30, 2014. He reported that the Committee convened twice and submitted thatthe Committee felt it imperative to discuss the issues considering not only the prevailing inconveniences but also for future welfare. Therefore, he submitted that enough time be granted to review all these issues. He suggested that the deliberation be deferred to the day after the deliberation of the Annual Budget 2014-15 to enable the committee to thoroughly review the provisions. The House accordingly resolved to do as suggested with the show of hands.

The House affirmed the suggestion of the Chairperson of the ad-hoc Committee and directed that the discussion be held after lunch on June 9, 2014. The committeewas also directed to review the provisions in detail and reminded that there would be no further deferment.

 $(6^{\rm th}$ Day of the $4^{\rm th}$ Month of the Wood Male Horse Year corresponding to June 4, 2014)

6.3. Report of the Ad-hoc Committee on the Parliamentary Entitlement (Amendment) Bill of Bhutan 2014 on June 9, 2014.

The Parliamentary Entitlement (Amendment) Bill 2014 was scheduled for discussion on June 9, 2014 after lunch. However, since the deliberation on the Budget (2014-2015) could not conclude on time, the Chairperson of the House Committee moved the motion for clause by clause deliberation on June 10, 2014.

6.4. Motion to pass the Parliamentary Entitlement (Amendment) Bill of Bhutan 2014

A thorough deliberation on the Parliamentary Entitlement (Amendment) Bill 2014 was held on June 10, 2014 and made the necessary amendments. The Chairperson of the House Committee moved the motion to pass the Parliamentary Entitlement (Amendment) Bill of Bhutan on the 13th Day of the 4th Month of Wood Male Horse Year corresponding to June 11, 2014. From the total of 38 Members present and voting, 25 voted YES and 11 voted NO and 2 Abstained and adopted the Billat 10:11 am.

In his dissenting opinion, the member from South *Thimphu*constituency submitted that both the political parties acknowledge the importance of the civil servants. With increasing inflation in the country, the government had pledged to raise the salary of the civil servants. The civil servants had high expectations from the government with regard to pay revision. However, the salary revision

has been a disappointment to the civil servants with the general notion that the pay revision was carried out for the Cabinet Ministers and the Members of the Parliament.

Being conscious of the economic condition of the country, debt issues and the shortage of funds, the Cabinet Ministers and the Members of the Parliament should not accept the salary recommendation of the Pay Commission. He said that he had hoped that the Members would reject the recommended salary revision and insist on receiving the existing salary. However he said he was very disappointed with the outcome where the salary revision of the Cabinet Ministers and Members of the Parliament was the highest.

He pointed out that the First Parliament had revised the salary twice based on the based on the recommendation of the Pay Commission. However, the Cabinet Ministers did not accept the salary revision and while the Members of the Parliament were also given a suitable hike.

He also reminded that though the salary revision was decided by the past Government it would stand revoked after the establishment of the SecondPay Commission. Therefore, he submitted that it was imperative to go by recommendations of the Second Pay Commission.

The Home Minister seconded the submission of the member from South *Thimphu* constituency. Nevertheless, he also submitted that it would be appreciated if the

submission were made during the discussion of the pay revision because the Parliamentary Entitlement Bill was not a Money Bill.

Further he urged that the Bill would govern only the Members of the Parliament and not the Cabinet Ministers. Regarding the Cabinet Ministers, the *Lhengye Zhungtshog* Act would be amended as per procedure and the Cabinet Ministers and the Members of the Parliament should not be merged together.

Regarding the salary revision endorsed by the National Assembly, he said that there was still theopportunity to redeliberate the National Council's recommendation and if any Member wishes to submit their views, one should avail this opportunity. With this the deliberations on the Parliamentary Entitlement (Amendment) Bill of Bhutan 2014 concluded.

 $(13^{\rm th}$ Day of the $4^{\rm th}$ Month of the Wood Male Horse Year corresponding to June 11, 2014)

VII. NARCOTIC DRUGS, PSYCHOTROPIC SUBSTANCES AND SUBSTANCE ABUSE BILL OF BHUTAN 2014

The Health Minister, Member In-Charge of the Bill introduced the Narcotics Drugs, Psychotropic Substances and Substance Abuse Bill of Bhutan 2014 for First and Second Reading in the 2nd Session of the Second Parliament on 15th Day of the 12th Month of the Water Female Snake

Year corresponding to February 14, 2014. The Bill was then referred to the Legislative Committee for further review.

The Legislative Committee tabled the Narcotic Drugs, Psychotropic Substances and Substance Abuse Bill of Bhutan 2014 for the Third Reading in the 3rd Session of the Second Parliament May 30, 2104. The House deliberated the Bill on May 30, 2014 and June 2,2014 in detail.

On the 5th Day of the 4th Month of Wood Male Horse Year corresponding to 3rd June 2014, the Health Minister moved the motion pass theNarcotic Drugs, Psychotropic Substances and Substance Abuse Bill of Bhutan 2014 be passed and from total of 43 Members, 41 voted YES while 2 Abstained and adopted the Billat 12:30 pm.

VIII. DOUBLE TAX AVOIDANCE AGREEMENT WITH THE GOVERNMENT OF INDIA

On June4, 2014, the Speaker informed that the Double Tax Avoidance Agreement with the Government of India was elaborately deliberated in the First Session of the National Assembly and forwarded to the National Council. The National Council deliberated it in the Second Session and made few changes in the Dzongkha text but no change in the meaning. The National Assembly shall not re-deliberate on it and the Secretariat shall review and as per the procedure and submit it for Royal Assent. The House seconded it with the show of hands.

IX. RE-DELIBERATION ON THE NATIONAL ASSEMBLY (AMENDMENT) BILL 2014

The Member from Tashichholing constituency, the Member In-Charge of the Bill submitted the National Assembly (Amendment) Bill, 2014 presented the Bill for First and Second Reading on the 24th Day of the 11th Month of the Water Female Snake Year corresponding to January 27, 2014. The Bill was then forwarded to the Legislative Committee. The Committee presented the Bill for Third Reading in the Second Session on January 28, 2014. The National Assembly passed the Bill on 30th Day of the 11th Month of the Water Female Snake Year corresponding to January 30, 2014. The Bill was then transmitted to the National Council on February 4, 2014. The National Council after deliberating on the Bill transmitted back the Bill to the National Assembly on June 3, 2014 in the Third Session of the Second Parliament.

The National Assembly re-deliberated on the National Assembly (Amendment) Bill 2014 on the 7th Day of the 4th Month of the Wood Male Horse Year corresponding to June 5, 2014. The re-deliberation concluded at 1:20 pm with 13 points on which the National Assembly and the National Council could not arrive at a consensus. It was resolved that as per Article 13(8) of the Constitution, the National Assembly (Amendment) Bill of Bhutan 2014 shall be submitted to the Druk Gyalpo for the Royal command to deliberate and vote on the Bill in a Joint Sitting.

X. RE-DELIBERATION ON THE LOCAL GOVERNMENT (AMENDMENT) BILL 2014

The Member from Lingmu-Toedwang constituency, the Member In- Charge of the Bill presented the Local Government (Amendment) Bill 2014 for the First and Second Reading to the House in the First Session of the Second Parliament. The Bill was then forwarded to the Legislative Committee. The Committee after carrying out the review presented the Bill for Third Reading in the Second Session of the Second Parliament on February 7, 2014. The House after deliberating on the Bill passed the Bill on 12th Day of the 12th Month of the Water Female Snake Year corresponding to February 11, 2014.

The Bill was then transmitted to the National Council on February 12, 2014. The National Council after deliberating on the Bill transmitted it back to the National Assembly on June 3, 2014 in the 3rd Session of the Second Parliament.

The National Assembly re-deliberated on the Local Government (Amendment) Bill 2014 on 7th Day of the 4th Month of the Wood Male Horse Year corresponding to June 5, 2014. Since the two Houses could not come to a consensus on 15 points in the Bill, it was decided to submit the Bill to His Majesty the Druk Gyalpo in accordance with Article 13 (8) of the Constitution of the Kingdom of Bhutan for Royal Command to discuss and vote on the Bill in a Joint Sitting of the Parliament.

XI. DELIBERATION FOR THE WITHDRAWAL OF THE RIGHT TO INFORMATION BILL

The Speaker notified the House of the recommendation from the National Council to withdraw such an important Bill which was deliberated in the 1stand2ndSession of the National Assembly and transmitted to the National Council. The National Council recommended the withdrawal of the Bill as per section 18, 19 and 20 of the Legislative Rules of Procedure since they were not able to receive clarifications, presentations and information on the Bill from the concerned Ministry. The recommendation for the withdrawal of the Bill as resolved by the National Council was conveyed in writing by the Secretary General of the National Council to the Secretary General of the National Assembly. In the event, the withdrawal is accepted without reporting to the House, it is feared that the functioning would be affected in the future.

It would also seem that a Bill passed by one House is not acknowledged by the other House and if the Bill is withdrawn, there is a need for proper procedure.

It was submitted that the Bill was transmitted in February 2014 and there was sufficient time of three months and that prior to the Session the Chairperson proposed for the withdrawal of the Bill over the telephonic conversation with the Speaker.

However if the Bill is not withdrawn another mechanism as per Section 31 of the Legislative Rules of Procedure, is the submission of the Bill to His Majesty the Druk Gyalpo for further command. Yet it is important to look for other ways than this.

It is also submitted that how suitable it would be if a committee comprising of members from both the House is constituted to discuss and defer the Bill to the winter session.

As per the provisions of the Constitution, relevant laws, the rules of procedure and moreover in consonance with the Royal Kasho of His Majesty, it is directed that in the event of disagreement between the two Houses, joint committees are to be established to mutually solve the differences.

Further it was reminded that if a proper procedure is not discussed and drawn and in absence of it the Bill is withdrawn, it is feared that in future if inconveniences arises, the members would not be able to carry the responsibility of the House. In view of this, the members are requested to consider this and discuss it as per program on the 5th June 2014 during the re-deliberation.

The Members expressed concern regarding the Bill wherein the Government accorded highest priority to the Bill and was elaborately discussed in the National Assembly and then forwarded to the National Council. The message for the withdrawal of the Bill was conveyed by the Secretary General of the National Council citing the reason that the information could not be collected from the concerned Ministry.

It is heartbreaking that the Bill has to be withdrawn due to a small issue between the National Council and the Executive. Since this is a new issue it is important to discuss properly and solve it. And as put forward by the Speaker, it would be good is a committee is established to discuss it.

The Bill as pledged by the People's Democratic Party is submitted to the National Assembly by the Government and passed by the National Assembly and forwarded to the National Council. To understand the objective and the background of the recommendation of the National Council to withdraw the Bill, it submitted that the documents submitted by the National Council to be distributed to the members instantly and the issue could be solved by establishing a joint committee to discuss and solve the issue rather than directly submitting it to His Majesty.

The Minister for Information and Communications clarifying the matter, submitted that the officials from the concerned Ministry upon the receipt of request for information over the telephone sought approval from the Secretary who in turn directed them to follow the established procedure and could not make the presentation. However later as directed by the Prime Minister, when the concerned Ministry was ready to make the presentation, the National Council citing the lack of time, the presentation could not be presented.

Such issues would not arise if the National Council discusses the Bill as per the bill passing procedure and propose recommendations to the National Assembly. And it is important to discuss and solve the issue.

On this, the Speaker stated that the Bill was introduced in the First Session and to enable proper discussion, the members were also reminded to consult the people during their constituency visit since it is important to discuss with the people and compile the feedback and submit to the concerned Ministry.

Few days before the Third Session, while discussing with the Chairperson, the issue came up during the conversation and accordingly the Speaker informed the Prime Minister who immediately directed the concerned Ministry.

Since it is important to solve the issue, an ad-hoc committee comprising of 7 members of *Panbang*, *Dremitse*, *Bartsham-Shongphu*, *Bardo-Trong*, *Dophuchen Tading*, *Tashichholing* and *Wamrong* constituencies shall be established and while discussing the members shall be mindful of the provisions in the Constitution, National Assembly Act, Rules of Procedure, the Royal Kasho issued by His Majesty and as per the re-deliberation program, it shall be discussed on 6^{th} June 2014.

(6th Day of the 4th Month of the Wood Male Horse Year corresponding to June 4, 2014)

XII. REPORT OF THE AD-HOC COMMITTEE ON THE NATIONAL COUNCIL RECOMMENDATION FOR THE WITHDRAWAL OF THE RIGHT TO INFORMATION BILL

The Right to Information Bill 2104 was deliberated in the National Council in its 13th Session on the 27th and 29th May 2104. Following the discussion, the main reason for the withdrawal as per section 18 and 19 of the Legislative Rules of Procedure 2011 is that in spite of the concerned committee's agenda for the review of the Bill, the Ministry of Information and Communication could not make the presentation on time and that to make the presentation the procedure approved by the Committee of Secretaries wherein request for the presentation has to be routed from the Cabinet Secretariat. And based on these, the Bill was resolved to withdraw. The Bill was forwarded to the National Assembly as per section 20 of the Legislative Rules of Procedure 2011 and Article 13(7) of the Constitution for re-deliberation with background note. As directed by the House, the Ad-hoc committee reviewed the provisions of the Constitution and the relevant laws and presents the review report wherein:

- Article 13 (5) of the Constitution sates that, "Where a Bill has been introduced and passed by one House, it shall present the Bill to the other House within thirty days from the date of passing and that Bill may be passed during the next session of Parliament". It is submitted that the National Council could defer the Bill for discussion in the winter session.
- If the recommendation of the National Council for the withdrawal of the Bill is not acknowledged by the National Assembly, then the Bill would naturally become a Dead Bill.
- 3) If the recommendation of one House for the withdrawal of the Bill is not acknowledged by the other House, the Bill shall be treated as a Disputed Bill and the procedure outlined for the Disputed Bill shall follow.

The House as reported by the Committee resolved that as per Article 13(5) of the Constitution, the Bill is recommended for deferral for discussion during the winter session. It is also feared that if this is used as precedence in the future, it is likely that important legislation would not be passed on time thereby hindering the timely delivery of public service. In view of this, it is resolved that this shall not be followed as a precedent. If the National Council do not acknowledge the recommendation of the National Assembly for deferring the Bill to the winter session, then Bill shall be submitted to the Druk Gyalpo for Royal Command in accordance with article 13(8) of the Constitution and Section 23 of the Legislative Rules of Procedure 2011.

The procedure as resolved by the Committee of Secretaries wherein request for the presentation for the objectives and background of Bill has to be routed from the Cabinet Secretariat, is found to be in contradiction to Article 20(8) of the Constitution. It is further resolved that the Committee of Secretaries should act as per the provisions of the Constitution and relevant laws.

The Speaker shall spearhead the discussion to solve the procedural ambiguities and challenges between the two Houses during a meeting of the presiding officers of the two House.

> (Jigme Zangpo) SPEAKER

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ANNEXURES

ANNEXURE I

Documents distributed during the 3rd session of the second parliament

- 1. Annual Anti-Corruption Report 2013
- 2. Pay Revision Report
- 3. Annual Budget Report 2014-15
- 4. Annual Financial Statement of the Royal Government of Bhutan for the Year ended 30 June, 2014
- Supplementary Budget Appropriation Bill for the Financial Year 2013-14
- 6. Budget Appropriation Bill for the Financial Year 2014-15
- 7. Tax Bill 2014
- 8. Annual Audit Report 2013

ANNEXURE II

English Translation of the Speech to be delivered by Hon Speaker during the opening ceremony of the 3rd Session of the Second Parliament(16th May, 2014)

- 1. As the providential stars and positive energy converge, the Second Parliament commences its Third Session on this auspicious day.
- I on behalf of the Members of Parliament and on my own behalf would like to welcome His Majesty the Druk Gyalpo, the Dharma King, holder of wheel of the dual

system of Palden Drukpa to this opening ceremony and thank His Majesty for gracing the occasion.

- 3. Similarly, on behalf of the House, I would like to extend warm welcome to Members of the Royal Family, representatives of the religious organizations, senior government officials, defense officials and international dignitaries.
- 4. Similarly, the people of Bhutan and the Parliament would like to welcome Her Royal Highness Princess Benedikte of Denmark and her delegation to our parliament. We hope that Her Royal Highness will have a pleasant stay in our country and would like to wish Her a safe journey back to Denmark.
- 5. As reported during the concluding ceremony of the Second Session, the procedure for deliberating on the Bills have been improved providing adequate time for the Committees to review the Bills. Therefore, I have a strong conviction that the deliberation on the Bills would be substantive and fruitful.
- 6. The National Assembly in its Second Session deliberated on important legislations such as Right to Information Bill, National Assembly (Amendment) Bill, Local Government (Amendment) Bill and transmitted to the National Council. It is hoped that these Bills would be passed in this session.

- In this session the National Assembly will be deliberating on the following Bills and hope that these legislations would be endorsed;
 - i. The Tobacco Control (Amendment) Bill 2014 received from National Council
 - ii. The National Council (Amendment) Bill, 2014
 - iii. The Tenancy (Amendment) Bill, 2014
 - iv. The Biosafety Bill of Bhutan, 2014
 - v. The Local Government Entitlement Bill of Bhutan, 2014
 - vi. The Narcotic Drugs, Psychotropic Substances and Substance Abuse (Amendment) Bill 2014
 - vii. Parliamentary Entitlement (Amendment) Bill.
- 8. Further, this session will also deliberate on the Annual Report by the Prime Minister on the State of the Nation, including legislative plans and annual plans and priorities of the Government, Annual Budget Report by the Finance Minister, the Annual Audit Report and the Annual Anti-Corruption Reports.
- 9. The government recognizing the civil service as the backbone of the public service delivery considered to raise the salary for the civil servants and mandated the Pay Commission to review the pay and allowances of the Civil Servants. Therefore, a report thereof was submitted to the Parliament through the Cabinet. It is hoped that this initiative would serve as the motivation for greater efficiency and dedication of the civil service.

Similarly, as the Local Government leaders are the main service providers at the local level, it is hoped that their entitlements would be enhanced upon the deliberation of the Local Government Entitlement Bill.

- 10. His Majesty with vision to institute apolitical civil service appointed the Members of the Royal Civil Service Commission as per the provision of the Constitution. The former Commission in their five year term rendered their dedicated service in serving the interest of the civil servants. Therefore, the Parliament would like to express its appreciation to the Commission. Similarly, the House would like to congratulate the new Chairperson and Members of the Civil Service Commission. It is hoped that the new Commission would strive to enhance the professionalism of the civil servants in enhancing good governance and social equity.
- 11. I would also like to apprise that the House has developed a calendar of sitting to facilitate the collaboration between the Parliament and the relevant agencies and authorities in terms of submitting their agendas to the Parliament. This would not only help in providing a framework and guide to the Gewog Tshogde and Dzongkhag Tshogdu in submitting their points to the Parliament but also enhance better coordination between the Parliament and the Local Governments. As the calendar would come into vogue

from the fourth session, all are requested to follow guidelines specified in the calendar.

- 12. The Parliament would like to express its gratitude to His Majesty for granting the Royal Assent on the Convention on Multilateral Investment Guarantee Agency (MIGA) for its implementation as ratified during the second session.
- 13. The Parliament would also like to express its gratitude to His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen, the embodiment of compassion in visiting the southern and eastern part of the country to look into the minute problems faced by the people.
- 14. His Majesty with his noble vision of serving the welfare of the people of six eastern Dzongkhags appointed HRH Jigme Dorji Wangchuck as His representative. His Royal Highness embracing the noble task endowed upon him officially established his office and began serving the people. Therefore, on behalf of the people of Bhutan in general and the people of six eastern Dzongkhags in particular and on my own behalf would like to express unfathomable gratitude to His Majesty and His Royal Highness.
- 15. The Parliament would also like to express deep gratitude to His Majesty for granting *Kidu* and personally looking into the welfare of the people affected by the various natural

disasters and the victims of the boat that capsized in Yudiri river in Zhemgang.

- 16. We would also like to express our gratitude to His Holiness the Je khenpo and other religious personalities for conducting *Melamchenmo*, *Baza Guru* recitation and various religious activities to avert diseases, famine and conflicts for the peace and tranquility in the country.
- 17. The initiative of Prime Minister in signing the compact with various ministries and Dzongkhags to enhance the government performance is indeed a commendable strategy. Therefore, it is hoped that this initiative would result into fruitful outcomes.
- 18. Lastly, it is hoped that with the noble guidance of His Majesty, collective merit of Bhutanese people and the support and cooperation rendered by the Members of the Parliament, the Third Session of the Parliament would come to a successful conclusion.

Kadinche!

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ANNEXURE III

Concluding Speech by the Hon Speaker Jigme Zangpo at the closing of the 3rd Session of the Second Parliament

- 1. As everyone is aware, the Third Session of the Second Parliament concludes today.
- On behalf of the Members of Parliament and on my own behalf, I would like to express my deepest gratitude to His Majesty the Druk Gyalpo for gracing the concluding ceremony of the 3rd Session of the 2nd Parliament.
- 3. I would also like to extend a humble welcome tothe Members of the Royal Family and all other guests.
- 4. In this session, the National Assembly has deliberated and transmitted the following Bills to the National Council:

i) The Biosafety Bill of Bhutan
ii) The Local Government Members Entitlement Bill
iii) The Narcotic Drugs, Psychotropic Substances and Substance Abuse Bill
iv) The Tenancy Bill and
v) The Parliamentary Entitlement (Amendment) Bill

5. Similarly, I would like to inform that the National Council (Amendment) Bill and the Tobacco Control (Amendment) Bill received from the National Council were extensively deliberated by the National Assembly and have been retransmitted to the National Council.

- 6. In addition, the House could not reach consensus on some of the clauses of the Local Government (Amendment) Bill and the National Assembly (Amendment) Bill which were received for re-deliberations. Therefore, in accordance to Section 8 of Article 13 of the Constitution, the Bills will be submitted before His Majesty.
- 7. The Right to Information Bill was deliberated by the National Assembly in the 2nd Session and was transmitted to the National Council. However, the National Council could not deliberate on the Bill given the time constraint. As per the provisions of the Legislative Rules of Procedure, it was recommended that the Bill be withdrawn. However, the National Assembly resolvedthat the Bill will be submitted before His Majesty the Druk Gyalpo as per the provisions of the Constitution.
- 8. I would like to inform that in order to successfully implement the developmental activities in the 11th Plan, a total of Nu. 40,355.837 million has been passed towards budget appropriation for the financial year 2014-15.
- 9. I would also like to express my hopes that the revision of pay and benefits for the public servants, civil servants and the local government leaders would further reinforce their loyalty and dedication in delivering services.

10. Considering the Annual Anti Corruption Report and the Annual Audit Report presented for the year 2013, it is apparent that the ministries and agencies have done a good work in compliance to the laws. Further, as compared to the past, corruption cases have drastically declined mainly because of the support rendered by the people and the government.

However, many cases of unresolved irregularities related to embezzlement have also been reported. Therefore, it is imperative for the relevant ministries and agencies to make concerted efforts in resolving the irregularities related to embezzlement.

11. The Hon Prime Minister presented the report on the present achievements of the government and its future policies and plans based on the philosophy of Gross National Happiness which has emanated from the hearts of Their Majesty the Kings. The report was presented for the duration of three hours encompassing good governance, sustainable socioeconomic development, cultural preservation and environmental conservation.

This essence of the Gross National Happiness would immensely benefit the security, sovereignty and economic development of the country besides bringing great benefit for the peace and happiness of the people. 12. Recently, the Hon Prime Minister of India, Shri Narendra Modi was invited to the country by the Royal Government under the noble leadership of His Majesty. The Prime Minister of India along with senior Indian officials not only visited the country but also delivered a historical and valuable address to the Joint Session of Parliament. He expressed his appreciation for the Bhutanese democracy which has been strengthened in a very short span of time. He also expressed his appreciation for the developmental philosophy of Gross National Happiness and the role played by Bhutan in combating global warming.

Further, the Prime Minister of India conveyed the support of the Government of India to double the scholarships to Bhutanese students and initiate E-Library in Bhutan. He also conveyed his support towards tourism which would build a network between Bhutan and North-Eastern States of India.

It is a matter of great pride for Bhutan as the Prime Minister of India inaugurated the Supreme Court and laid the foundation stone for the Kholongchu Hydro Power Project. The Parliament of Bhutan would like to express its gratitude to the Hon Prime Minister of India as his visit has further strengthened the Indo-Bhutan ties and would also benefit the security and sovereignty of Bhutan. 13. Further, the Parliament of Bhutan would like to express its gratitude to the Central Monastic Body under the auspices of His Holiness the Je Khenpo for tirelessly working towards the peace and tranquility of the country and for long life and wellbeing of Their Majesties and the Members of the Royal Family.

The Parliament would also like to express its gratitude to His Holiness and the Central Monastic Body for various religious initiatives undertaken for the benefit of the people of Bhutan.

- 14. The 3rd Session of the 2nd Parliament comes to a successful conclusion mainly because of the blessings of the Triple Gem, noble guidance of His Majesty the Druk Gyalpo, support and cooperation of all the Members of Parliament and the collective merit of the Bhutanese people. For this, I would like to express my gratitude.
- 15. Lastly, let us all offer our prayers for the long life of His Majesty the Druk Gyalpo, Her Majesty the Gyaltsuen and the Members of the Royal Family.

THANK YOU

ANNEXURE IV

list of members present during the 3^{rd} 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 Foreign Affairs, Lyonpo Rinzin Dorji, Shompangkha constituency, Sarpang Dzongkhag
- Hon Minister for Education, Lyonpo Mingbo Dukpa, Dewathang-Gomdar constituency, Samdrrupjongkhar Dzongkhag
- 7. Hon Minister for Labour and Human Resources, Lyonpo Ngeema Sangay Tshempo, Lhamoizingkha-Tashiding constituency, Dagana Dzongkhag
- 8. Hon Minister for Health, Lyonpo Tandin Wangchuk, Athang-Thedtsho constituency, Wangdiphodrang Dzongkhag
- 9. Hon Minister for Communication, Lyonpo Dina Nath Dungyel, Phuentshogpelri-Samtse constituency, Samtse Dzongkhag
- 10. Hon Minister for Finance, Lyonpo Namgay Dorji, Draagteng-Langthil constituency, Trongsa Dzongkhag
- 11. Hon Minister for Economic Affairs, Lyonpo Norbu Wangchuk, Kanglung -Udzorong constituency, Trashigang Dzongkhag
- 12. Hon Minister for Agriculture and Forest, Lyonpo Yeshey Dorji, Maenbi-Tsaenkhar constituency, Lhuntse Dzongkhag
- 13. Hon Leader of the Opposition Dr. Pema Gyamtsho, Chhoekhor-Tang constituency, Bumthang Dzongkhag

- 14. Hon Deputy Speaker Chimmi Dorji, Lingmu-Toedwang Constituency, Punakha Dzongkhag
- 15. Hon Member Tshewang Jurmi, Chhumig-Ura constituency, Bumthang Dzongkhag
- 16. Hon Member Dawa Gyaltshen, Bongo-Chapchha constituency, Chhukha Dzongkhag
- 17. Hon Member Rinzin Dorji, Phuentshogling constituency, Chhukha Dzongkhag
- 18. Hon Member Karma Dorji, Drukjeygang-Tseza constituency, Dagana Dzongkhag
- 19. Hon Member Pema Drukpa, Khamaed-Lunana constituency, Gasa Dzongkhag
- 20. Hon Kinley Om, Bji-Kar-Tshog-Uesu constituency, Haa Dzongkhag
- 21. Hon Member Karma Rangdol, Gangzur-Minjey constituency, Lhuentse Dzongkhag
- 22. Hon Member Ugyen Wangdi, Dramedtse-Ngatshang constituency, Mongar Dzongkhag
- 23. Hon Member Rinzin Gamtsho, Kengkhar-Weringla constituency, Mongar Dzongkhag
- 24. Hon Member Kezang Wangmo, Dokar-Sharpa constituency, Paro Dzongkhag
- 25. Hon Member Khando Wangchuk, Lamgong-Wangchang constituency, Paro Dzongkhag
- 26. Hon Member Zangley Dukpa, Khar-Yurung constituency, Pemagatshel Dzongkhag
- 27. Hon Member Choida Jamtsho, Nganglam constituency, Pemagatshel Dzongkhag
- 28. Hon Member Dechen Zangmo, Nanong- Shumar constituency, Pemagatshel Dzongkhag
- 29. Hon Member Dophu Dukpa, Kabisa–Talog constituency, Punakha Dzongkhag
- 30. Hon Member Pelzang Wangchuk, Jomotshangkha-Martshala constituency, Samdrupjongkhar Dzongkhag

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

ANNEXURE V

Recommendations and Resolutions of the National Council of Bhutan''Pay Revision Report,May 2014'' submitted to the Royal Government and National Assembly of Bhutan

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1 Pay Revision

- **1.1 Non-Civil Service**
- 1.1.1 Prime Minister, Cabinet Ministers and Equivalent Positions
 - A. **The National Council resolves** that the pay raise for the Prime Minister, Cabinet Ministers and equivalent positions should be deferred until the revenue generation and costcutting measures identified by the government to finance the pay revision are implemented and realized considering that the country's economy continues to face great difficulties.
 - B. The National Council resolves that the pay revision for the Prime Minister, Cabinet Ministers, Speaker, Chairperson and Opposition Leader - done whenever the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized - should be based on the new basic pay of Nu. 65,930/- for Members of Parliament proposed by the government. This is because they are also Members of Parliament. However, the pay for Deputy Chairperson of National Council and Deputy Speaker of National Assembly should be 10-15% higher as provided for in the Parliamentary Entitlement Rules. The pay for Cabinet Ministers and equivalent positions and that of the Prime Minister should be higher by 50% and 100% respectively.

1.1.2 Members of Parliament

The National Council resolves that the pay revision for Members of Parliament be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

1.1.3 Holders, Members and Commissioners of Constitutional Bodies

The National Council resolves that the pay revision for Holders, Members and Commissioners of Constitutional Bodies be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

1.1.4 Constitutional Post Holders under Judiciary

The National Council resolves that the pay revision for Constitutional Post Holders under the Judiciary be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

1.1.5 Privy Council

The National Council resolves that the pay revision for Chairman and Members of Privy Council be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

1.1.6 Attorney General

The National Council resolves that the pay revision for the Attorney General be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.

1.2 Civil Service

- A. **The National Council resolves** that the pay revision for Cabinet Secretary and Government Secretaries be as proposed by the government. However, the revision should be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized.
- B. The National Council recommends the government to merge the pay allowance of 2010 to the basic pay, and that the 20% revision be based on that merged figure as recommended by the Pay Commission. This is in view of the fact that the government's Pay Revision Report has indicated pay revision for civil servants to be between 19 and 25% for different position levels, which however, is inclusive of the pay allowance that they were already paid

since 2010. The actual pay revision is found to be between 4 and 10% only.

C. **The National Council resolves** that the pay scale for GSP and ESP position levels be revised by the government after reviewing them.

1.3 Others – Non-Civil Service

1.3.2 Non-Formal Education (NFE Instructors)

The National Councilrecommends that the government not only consider pay revision for instructors of Early Child Care and Development (ECCD) program but recommends consideration of a revision that is higher than NFE instructors since the basic qualification required for them is Class XII.

1.3.3 Consolidated Contract (main teachers)

The National Council recommends the government to revise the pay for Community-Based Teachers by 40% similar to the pay revision for Consolidated Contract Employees.

1.3.5 Local Government

The National Council resolves that the pay of Thromde Thuemis should also be clearly reflected in Table 1.3.5. It recommends that the government consider revising the pay of Dzongkhag Tshogdu Thrizin and Thrizin Wogm by 50% and 20% respectively. It resolves that other entitlements and allowances such as pay scale and retirement benefits of local government officials be provided as per the Local Government Entitlement Act.

2 Allowances and Benefits

2.2 Salary Based Allowances

2.2.2 New Professional Allowance

The National Council recommends the government to consider paying secretariat officials of both houses of Parliament with professional allowances during parliament sessions. The Parliament of Bhutan is the highest lawmaking institution. Based on provisions of the National Council and National Assembly Acts, the verbatim of proceedings as well as the resolutions of both houses have to be transcribed, drafted and published on time. Officials of the two houses are required to work at odd hours transcribing verbatim and drafting resolutions in addition to their official responsibilities. The Parliament Session Allowance would be an incentive to them for undertaking these additional responsibilities during parliament sessions which are conducted for extended period of time.

2.3 House Rent Allowance

A. **The National Councilresolves** that the government pay 20% House Rent Allowance to public servants even if they are provided with designated housing, institutional housing and NHDC housing. If the applicable house rent based on

carpet area of the house is either more or less than the eligible House Rent Allowance, the difference should either be paid for or retained by the public servants.

- B. The National Council recommends that matrons/wardens of schools/institutions occupying accommodation attached to hostel be paid 100% House Rent Allowance instead of the 50% proposed by the government.
- C. The National Council recommends that the government pay the principals of schools, like other civil servants, the 20% House Rent Allowance. If the applicable house rent based on carpet area of the housing they are provided with is either more or less than the eligible House Rent Allowance, they should either pay or retain the public difference. If they do not occupy a government housing facility, they must also be paid the 20% House Rent Allowance.
- D. The National Council recommends that a house rent of Nu.3275 payable to an employee of S1 position level be paid equally to all servants below S1 if the government is not able to implement the National Council's recommendation on Section 1.2.B to merge the 2010 pay allowance to a civil servant's basic pay and then revise it by 20% based on that merged figure. This is in view of the fact that the 20% House Rent Allowance provided to this group of civil servants actually translate to a little over

Nu.1000, which is not realistic considering prevailing house rents in urban areas.

2.4 Foreign Service Entitlements

2.4.1 Carriage of Personal Effects

The National Council recommends the following amendment.

"In lieu of The actual expenses for carriage of personal effects including accompanied baggage and transport of personal vehicles during transfer of diplomats from and to the headquarter, a lumpsum pay be will be madeare being reimbursed. In addition to the existing practice, the diplomats and eligible staff attached to Embassies/Missions abroad shall have the option to claim lumpsum expenses as given in Annexure 4 A and 4 B.

2.5 Travelling Allowance

2.5.1 Daily Allowance (DA) – In-country

The National Council recommends the following amendment in the third column of 2^{nd} and 3^{rd} rows of Annexure II as follows.

Actual lodging in one room (maximum of Nu.3000) plus Nu.800 or lump sum DA of Nu.1500.

2.5.2 Daily Subsistence Allowance (DSA) in India

The National Council recommends the following amendment in the third and fourth columns of 2^{nd} row of Annexure III as follows.

State Capitals

Actual lodging (maximum of Nu.12,000) plus Nu.2000 or lump sum of Nu.6,500.

Other Places

Actual lodging (maximum of Nu.8,000) plus Nu.1500 or lump sum of Nu.4,500.

The National Council also recommends the government to clarify Note 3 under Annexure III. It states that 'Officials under Sl. No.1 shall be entitled to 5 star hotels, subject to any monetary limits." However, the Revised DSA for officials under Sl. No. 1 for both state capitals and other places are said to be on the basis of actual expenses. Note 3 suggests there is a monetary limit to 'actual expenses' as well. This has to be clarified.

2.5.4 Travel Allowance (TA) Mileage

The National Council resolves that every civil servant should be eligible for the revised mileage of Nu.16/km irrespective of their position levels if they use their own vehicles. For those civil servants who own and use two wheelers, the option to pay the revised mileage of Nu.6/km should also be kept.

2.5.5 Travelling Allowance of Local Government Functionaries

The National Council recommends the government to pay a lumpsum amount of TA to gewog geydrungs and tshogpas for travel within the gowog similar to allowances for gups and mangmis. Besides, it also recommends amendment in the last column of Table 2.5.5 as follows: "TA on non-motorable route as per day or actual bus faremileage on motorable routes."

2.6 Tax Free Vehicle Quota for Public Servants

The National Council resolves that the government review the decision to monetize the tax free vehicle quota and submit a report.

3 Government Pool Vehicle

The National Council resolves that the government discuss the issue of government pool vehicles "with the civil servants" as it has submitted to the House to do so.

3.1 Lumpsum Grant for Purchase of Vehicles

The National Councilresolves that the payment of additional Nu.300,000 to the lumpsum grant of Nu.700,000 for purchase of vehicles for Members of Parliament be deferred until the revenue generation and cost-cutting measures identified by the government to finance the pay revision are implemented and realized. **It further resolves**

against the decision to provide the grant to 'elected Ministers.'

4 **Post Service Benefits**

4.6 Pension Reforms

The National Council resolves that the government conduct a review of the Pay Commission's recommendations - as it has decided - relating to pension formula and suspension of pension payment on reemployment in order to minimize the impact of salary increase on the sustainability of the pension fund and liabilities that would accrue to the Government in future.

6. Financial implication of pay revision and resources

6.2 Sources for Financing the Pay Revision

The National Council recommends the government to consider increasing the taxable income bracket to Nu.200,000 from the existing Nu.100,000 as proposed by the Pay Commission in order to benefit the lower income level public servant. This is because the government has identified additional PIT from salary increase as a source of payment for pay revision.

ANNEXURE VI

Recommendation from the national council on the Supplementary Budget Appropriation Bill for the FY 2013-14, Budget Appropriation Bill for the FY 2014-15 and Tax Bill 2014

३ ही केंग 11/6/2010 55 12/6/2010 श मुपायेंत्र्या हैंगुरु झेंगीरा 1) हेरायें 2013-10 गी पकर द्वापाय केंत्र द्वापाय केंत्र द्वापाय केंत्र द्वापाय केंत्र द्वापाय केंत्र द्वापाय केंत्र 2010-14 गी पकर द्वापाद्वाप्य पी पकर द्वापाद्वाप्य केंद्र द्वापाय केंद्र द्वापाद्वाप्य केंद्र द्वापाद्वाप्य केंद् 2010 ठवर यात्र गार्श्व र्श्वर र्श्व याद्वापाद्वी के क्षेगवत कें गवत के गविष्ठा का प्राय केंद्व द्वापाद्वाप्य कें 2010 ठवर यात्र गर्श्व र्श्वर र्श्व याद्वी कें यावत कें गवत कें प्राय केंद्व केंद्र द्वापाद्वी केंद्व केंपाय केंद्व केंद्र केंगवर केंद्व याद्वी केंद्व केंपा वरेन्य केंट वर्द्व यात्र राष्ट्र र्श्व केंद्व केंगवत कें प्राय केंपाय केंपाय केंद्व केंद्व केंद्व केंपाय केंद्व

१ रेखार्थ २०१३-१२ मे पळर नुइव्याय क्रेन्ट्र प्येषी रेट्स प्येष

२ डैस्पर्ये २०१०-१५ में पळर नुरुषा नुरु मुझ म्यों दिनुझ प्रिम र्ने दिन दि म नु म्राम्यों कुं ते पक्षे क्वें का पर ने म्या के जुर ने म्या का जुर ने म्या का जुर ने म्या का जुर ने म्या का जुर

१ लग्न रा मुभयेन्सर्हेगलको

- ୩ ଶ୍ରୁଦାଧିନଷାର୍ଜ୍ଧିମଧ୍ୟ ଅଂମିଷା ଅଂସିଷଷାର୍ଜ୍ଧିକାର୍ଯ୍ୟିକଟା ଦେଇହାରିବାର୍ଥ୍ୟିକ୍ୟାର୍ଥ୍ୟିକ୍ୟାର୍ମ୍ବର୍ଦ୍ଧ ନି କ୍ରଣ୍ଣାଦଶ୍ୱଣ କର୍ଷଣଷାର୍ଦ୍ୟାଦି କ୍ଷମ ଷା ଶ୍ରୁଦ୍ୟାଦର୍ତ୍ସରା ପ୍ରଶାଷାର୍ଦ୍ଧି ଦେହିଣ କିମ୍ବିମ୍ବୀୟା ତିଶା ଜିସାଦଙ୍ଗିଦ୍ୟାକ୍ଟକାର୍ଯ୍ୟୁକାରିକାଦର୍ତ୍ସିଦ୍ୟାସନି ଭାଷାର୍ଦ୍ଧି ସାହିଣ୍ଣା କରି ସାହିତ୍ୟା ସେ ସେ ସିସାସନି ସେ ସିସାସନି କାର

୩ ୩୧୩୯୬୩୮୩୫୩ ୩୯୬ ୫୬.୩. 201 -14 ସିଂଶ୍ୱର୍ଟ୍ ସମ୍ପାଦ୍ୟ 200,000 ଦିର୍ଟ୍ୟ ଅସ୍ଥ୍ୟ ଅସ୍ଥି କିନ୍ଦ୍ର ଅଂଶ୍ୱର୍ଦ୍ଦ କ୍ଷିଂମ୍ଟ୍ରେମ୍ ଅଂସ୍ଟ୍ରେମ୍ ଅଂସ୍ଟ୍ରେମ୍ ଅଂସ୍ଟ୍ରେମ୍ ଅଂସ୍ଟ୍ରେମ୍ ଅଂସ୍ଟ୍ ସମ୍ଭା ସମ୍ଭା ସମ୍ଭାଦ୍ୟ କୁଂ ସମ୍ଭର୍ଦ୍ଧ ସ୍ଥି ସିଂକ୍ଟି ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅ ସମ୍ଭ ଅଂଶ୍ରୁ ସମ୍ଭ୍ୟୁ ଅନ୍ମିୟ ସିଂହ୍ୟୁ ଅଂସ୍ତ୍ରି ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍ରୁ ଅଂଶ୍

अम् २७ मा तसुगानक्षत्रमध्य हैंगाल है।

२ व्यन्तः १३ मा तसुगार्वेग्वियमगार्हेगान्हुन्त

สยาราศัยน์รุนาลติสารู มณฑราริทุตาลาริทุทิกสรารรูณางาน อ.นนอ ทิษัณาลธรารที่รานีรารีารอูมาลิรรา ทุสรารที่หนิาษัณาลริรณ ल्यम ३८ मा र्शेववान्मवम्बर्धवाम्ब

भै'भेर'र्से' वया यते' दर्दु आ श्ची दें र' तमम मार्डे मिंडे मा दुरुआ र्डे मा भर्दु भो भा महेव' हे' श्विवया मलिव' दु' मालुर मोग मार्डु मा भर्स' से' वया या रहुं मोश' दुद्धा र्डिमा शु' सेयस' सुमर्श्व मुमेद में स्वर्थ दुर्म भर दुमा माहर दे दि दें दा शु' या दुर्घ में मार्थ सु' माल मा वनस क्षुमाद में स्वर्थ से संवर्ध स्वर्भ माहर दे दे दे दे दा शु' या दुर्घ में मार्थ सु' माल मा

५ अन् _{२०} म मस्त्रका का स्व

७ अन् २० म वन्म्यर्नेगञ्चवायम्

୩ ଶ୍ରୁଦାଐକ୍ଷଂସ୍ୱାବିକ୍ରିଶଂସାଜୁନଂଦୟଂଗର୍ନିଶ୍ୱବିଦ୍ଦିର୍ବିଙ୍କର୍ଭୁଂ ଦ୍ୟାକ୍ଷ୍ମାସ୍ୟୁକ୍ୟୁକ୍ସାହାହିକ୍ ଐକ୍ରିଂଶ୍ୱଳେ କିନ୍ଧାସ୍ୟୁ -୍ରିଶ୍ୱିକ୍ଂସ୍କୁଣ୍ଡିଆକ୍ସୁନଂଦ୍ୟଣ୍ଟରିଦ୍ଧର୍ଶ୍ୱିକ୍ରିକ୍ରିକ୍ରିକ୍ରାହ୍ୟୁ ସଙ୍କର୍ମ୍ବର୍ଦ୍ଧାଣ୍ଡରେ ଅନ୍ତ୍ରେକ୍ଟ୍ରିକ୍ଟ୍ରିସ୍ସେକ୍ଟ୍ରିକ୍ର୍ କୁଦ୍ୟାର୍ଥ୍ୟ କୁଦ୍ୟାଭ୍ୟୁ ସ୍ଥିବ୍ୟୁକ୍ରିକ୍ର୍ କୁଦ୍ୟୁକ୍ୟୁହାହୁ

2 अन् २१ मा वनकर्मिमाञ्चवायमा

୩ ୩୧ଣ୍ଟ୍ରମ୍ମାଦ୍ଦଞ୍ଚ୍ୟୁଦ୍ୟୁ ନିର୍ଧ୍ୟାଦ୍ଧର୍ଧ୍ୱ ସ୍ଥିବ୍ୟର୍ଷ୍ଟ୍ର୍ୟୁ ଅଟିମ୍ବିଦ୍ୟୁ ସେମ୍ବିଦ୍ୟୁ ସ୍ମିନ୍ ସମ୍ବ୍ୟୁ ସମ୍ବର୍ଯ୍ୟୁ କିମ୍ ସମ୍ବାଦ୍ୟ ସ୍ଥ୍ୟୁ ସ୍ଥ୍ୟୁ ସ୍ଥ୍ୟୁ ସ୍ଥ୍ୟୁ ସ୍ଥ୍ୟୁ ସ୍ଥ୍ୟୁ ସ୍ଥିବ୍ୟ ସ୍ଥିବ୍ୟ ସ୍ଥି ସ୍ଥି ସ୍ଥି ସ୍ଥି ସ୍ଥି ସ୍ଥି ସ୍ଥ୍ୟୁ ସ୍ୟୁ ସ୍ୟୁ ସ୍ଥ୍ୟୁ ସ୍ୟୁ ସ୍ୟୁ ସ୍ୟୁ

- ଽୖୄ୶୲୴୶୵ଽଽ୕୴୶୶ୖ୶୴ୄୖୄୄ୴୴୶ୄଊ୶୶ୄୢୄୠ୕ୖ୶ଽୖୄ୶୲ୠୖ୶ୖୠୖୖ୕ୡୖ୲ଽୣୖୄ୶୲ୠ୲୴୷ୄୢୖୠୖ୶ଡ଼ୄୖ୶୷ୄୖ ୖଌୣ୶୲୴୶୶ୣ୶୲୶ୠଽ୕ଽୣ୵ୖୢ୶୲୴ୖୖ୶ଽ୶୵ୡୣୖ୳୷ୠ ୲୶ୖ୶୲ୡ୕ଽ୕୴୶୶୶୲ୠଽୠୄଽୢୖୠୖ୲ୠ୶୲୶ୠୠଽୖୠୢୄୖୠ୲ୠ୲୶ଽୖୠୄୠ୲ୠଽ୲ୢୠ୲ୡୠଽ୲

2 छेन्द्रयाझरायर्थिय

९ हेरामहरा

३४१ में २०१२-१५ में में पकरात्त्रणाष्ठ्रवालु वृत्त श्रुमें २०१२ में में भूगमें मामेन स्वयायम्य श्रे के निष्व मिन्द्य निर्मा के स्वयायम्य के स्वत लु सुया में निर्माय के निष्य श्रे माम्य प्राण में माझवायमा में स्वति जिन्द्र त्वीया मा देवा भूगमें मामेन स्वयायम्य देमायमा भूमा स्वयायमंग्रे स्वति निर्मा यविया मा देवा भूगमें मामेन स्वयायम्य देमायमा भूमा स्वयायमंग्रे स्वति निर्मा यविया मा देवा भूगमें मामेन स्वये निया मिन्द्र मानि स्वया में स्वति निर्मा यविया मा देवा भूगमें मामेन स्वये निया मिन्द्र मानि स्वया में स्वति स्वया स्वयायमंग्रे स्वयं निर्मा के स्वयं निर्मा यहा मानि स्वयायमंग्रे यविया मा देवा स्वयायम्य स्वयं निर्मायन स्वयं निर्मायन स्वया में स्वयं स्वयायमं के स्वयं स्वयायमंग्रे में सा स्वत्त स्वत्त स्वयायमं स्वयं प्राण के स्वयं स्वयायमं मानि स्वयं स्वयायमं मानि स्वयायमं स्वयं मानि स्वयाय स्वया स्वतः यहान स्वयाय स्वयाय स्वयाय स्वयाय स्वयाय स्वयायमं स्वयायमं मानि स्वयायमं मानि यवत्या स्वर्ग स्वर्त्त स्वयायमं स्वयाय स्वयाय स्वयायमं स्वयायमं मानि स्वयायमं मानि स्वयायमं मानि स्वयायमं स्वयायमं स्वयायमं स्वयायमं स्वयायमं मानि स्वयायमं मानि स्वयायमं स्वयायमं मानि स्वयायमं मानि स्वयायमं स्वयाय स्वयाय स्वयायमं स्वयायमं

८ अन् २४ मा भूमर्थियाञ्च्रहामग

३ ज्युव र्केन्डन त्र्यो

9772N

२ अन्तर्या सुरुष युव येन्य पर्वे दी

७ वेन्तिकेनय्यमावस्यम्

u अम्मदश्यम्बिट्न हेट्यम्मन्ट्रम् र्त्तमार्थ

ସଦା ଶ୍ରି' ମ୍ୟୁମ୍ ଭିମ୍ମ 2010 उत्त अन्त क्रिय भिन्न क्रिके क्रिके क्रिके क्रिके क्रिके क्रिके क्रिके क्रिके क्रि १२/०८/२०१२ स् मासुन र्श्वे अध्य क्षे याद्य न क्रिय क्रिके क्रिके क्रिके क्रिके क्रिके क्रिके क्रिके क्रिके क्रि क्रिके न न क्रिके क्रिय क्रिय क्रिय क्रिके क्रिक

३ खग्म द्वारा द

मुग्गर्थेन्सायकर नृइगास्नुवालुये गोए ७ भये दिवाळंव ७ . भये वन्ना मुगग्रेन्साय के में दिवाल मुग्गायन वन्त् भा नम्याय देन् में जावना स्वर्भ्य स्वर्य्याय ये में दिवाल मुग्गायन वन्त भा नम्याय देन्ता का स्वर्य्याय के स्वर्य्याय के मिं कि से मार्थ कि से मार्थ स्वर्य्याय के मिं दिवाल में कि स्वर्याय के मार्थ नियाय के स्वर्य्याय के स्वर्य्याय के स्वर्याय स्वर्याय के स्वर्य स्वर्याय के स्वर्य स्वर्य क्याय के स्वर्याय स्वर्याय के स्वर्याय के स्वर्याय के स्वर्याय के स्वर्य स्वर्याय के स्वर्याय स्वर्याय स्वर्याय स्वर्याय के स्वर्याय के स्वर्याय के स्वर्याय के स्वर्याय के स्वर्याय के स स्वर्याय का स्वर्याय के स्वर्याय स्वर्य स्वर्याय के स्वर्य स्वर्य स्वर्य स्वर्य स्वर्याय के स्वर्याय के स्वर्य स्वर्य स्

2 द्विते व्ययम्भी

3 ^{वो}रु ज्या देवाढंव ज्ज्या

२ लेख २ म र्रेवाच्च २.१ म

พิสาร์ สิรา สามาตรพาสณาญารญารญาร์ พายามีรัง สมาร์ สามาณรายา สามาณรงาสาญารณา สีมาณ สรามีพาสามาตรพาสณาญารญาราร์ พาสาราร์ มีมาริสา สามา สรามาณายามารถาสมมา 2001 รอง มาสราร์ มีมาร์ สามารา สรา สู่สาร์ เพรา ญารารรามรถาสมมา สราร์ สายาณมาญาณราราสสินาร์ เสมา รู้มีสาร์ เพรา ญารามรามรถาสมาร์ สามาร์ เมือง เมาร์ เมาร์ เล่ารา รุ้มีมาณมา อาการการรามรถาสมาร์ เมาร์ เม ร์ มีนาร์ เมาร์ เม

१ वेतु २ म त्रमाक्रमावयासुम्सूर मर्डम

- 2 સ્રું અંતો મેંત્ર પાલે વા અંતે આ મેંત્ર આ મેંત્ર આ સે આ સાથે એ નુ પાલે ગાલ નુ ને તે આ સે ગાય આ સાથ તે આ સે આ સાથ નુ સાથ તે આ સ તે આ સાથ તે આ સ સાથ તે આ સાથ તો આ સ આ સાથ તો આ સ આ સાથ તો આ સ આ સાથ તો આ સ આ સાથ તો આ સ આ સાથ તો આ આ સાથ તો ત

- n શ્રુમ માન્દ્ર સુયાવર્ષે સંત્રું માલા મે અર્થ અર્થ સું દે માર્ચ્ય પ્રેમ્ય સંગ સું મે માન્દ્ર સંગ સું મે માન્દ્ર વસ્તુમ લેવ અર્દ્ધ ને માનસ માન્ય માર્ચ માનદ્ર તે સુધાર્થ સંત્ર સું તે માન્દ્ર સંત્ર સું તે માન્દ્ર સંત્ર સું સંગ વરે વશ્વ

2 ચરચુંચાર્ડ લેવાં પ્રત્યાં પ્રત્યાં પ્રત્યાં સ્વાય સ્વાયાય સ્વાય સ સ્વાય સ્વય સ્વાય સ

र्वेन्ग्रीर्वेश्ववनेनरावनेवेक्कुनासुन्स्

מקאאן

- รุสิทุฬาริ ารุฐิราลาริ จุรามหุมามีรามาริเพรา ท ติจารส์ณารราวเลิณหารา มราตูเสราจริสาทส์ จำรรา ผู้เทมิลิวานม
- 3 เลกาพราสราสรี สาชีรีรักสุอสา สูงการโลรายิเพราเสูงราวริสาพราชราญ

ૡૡૻઽૡૹ૽૽ૼૹ૾ૺઌૹૻૻ૱ૢ૽ૺૼૼૡૻૹૣૻૡૡઽૻૹ૽ૢૺૡઌઽૻૣઽૻઽૻૻઽૻ૾ૹૡૻૻઌૻૹ૽૿ઌૹ૾ૢૢ૱ૡ૽ૺઌૻૹ ઌૢ૽ૺૡૺૻૻ૱ઌૹૻ૽ૡૼૺઽૻૹ૾૾ઽૻઌૡઽૡૹૼૹ૽ૢૺૡઌઽૡૺૼૼૻૹ૾ૢૺૡઌઽૡઽૻ ૹૹૢૢૣૢૢૢૢૹૡૻઌ૾૿ૺઌૹૢૢૺ૱ૡ૽ૢૺઌૻૡ૾૾ૺૼ ૱ૹૹૢૢૢૢૢૢૹૡ૽ૡૡ૽૿ૹ૾૾ઌ૾ૢૢ૱ૡ૽૾ૺઌૡ૾ૺૼ૾૾ૡ૽ૼૼૺૹૻૹ૾ૼૼૼૼૼૼૼૼૼૡૢૹૡૡૺૡ૾ૢ૱ઌૻઌ૾૾ઌ૾૾ઌ૾૾ઌ૾ૺઌ૾ૺઌૻ૾ૺ

~ શસ્તુરા શૈવાયા પશ્ચ ન દેવ. શસ્તુરા શૈર્મેન્ડ જ્વરા શે પ્રાન્ચ સ્વત્ર જે સાથે છે છે. જે સાથ સાથ સાથ સાથ સાથ સાથ