

FOURTH PARLIAMENT OF BHUTAN

SECOND SESSION



Resolution No. 2

PROCEEDINGS AND RESOLUTIONS OF THE NATIONAL ASSEMBLY OF BHUTAN

14 November - 11 December, 2024

Speaker: Lungten Dorji

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Proceedings and Resolutions of the Second Session of the Fourth Parliament

1. Opening Ceremony

The opening ceremony of the Second Session of the Fourth Parliament was held on 14 November, 2024, corresponding to the 14th Day of the 9th Month of the Wood Male Dragon Year. The ceremony commenced with the reception of His Majesty the King, in traditional Chipdrel and Serdrang ceremony, followed by the Zhug- Drel-Phuensum-Tshogpai ceremony in the Grand Hall of the Parliament.

2. Opening Address by the Speaker

The Speaker of the National Assembly delivered the opening address at the commencement of the Second Session of the Fourth Parliament of Bhutan. In his remarks, the Speaker expressed deep gratitude to His Majesty the Druk Gyalpo for gracing the opening ceremony.

On behalf of all Members of Parliament and in his personal capacity, the Speaker extended a warm welcome to His Majesty, the esteemed Members of the Royal Family, and all distinguished guests who gathered to witness the significant occasion.

The Speaker further highlighted His Majesty's visionary leadership, particularly in presiding over Bhutan's inaugural Innovation Forum in October. This historic event, held at Dungkar Dzong in Paro, brought together experts from Bhutan and abroad, fostering the promotion of the nation's rich traditions, cultural heritage, and Bhutanese values.

He also emphasized the significance of the public unveiling of the Gelephu Mindfulness City project, which stands as a proud moment for the nation and a unique opportunity to position Bhutan as a global brand. The forum strengthened collaboration between government officials and international experts, reinforcing unity in advancing national development. In recognition of these visionary initiatives, the Speaker, on behalf of the Parliament, extended sincere gratitude to His Majesty the Druk Gyalpo.

The Speaker highlighted His Majesty the Druk Gyalpo's continued efforts in strengthening Bhutan's international relations through bilateral discussions with foreign nations, achieving significant outcomes for the benefit of the country and its people and His Majesty's recent visit to Australia, during which Royal Audiences were granted to Bhutanese communities in major cities, providing them with blessings and invaluable guidance. The Speaker noted that the warm and heartfelt receptions from the Bhutanese diaspora reflected their deep loyalty, patriotism, and unwavering love for the King and the nation. In this regard, on behalf of the Parliament, he expressed deep appreciation to all who attended the Royal Audiences.

On behalf of the Parliament, the Speaker humbly offered prayers for the continued success of the visionary Gyalsung program and the Royal Bhutan Flower Exhibition, initiatives established by His Majesty. He expressed hope that these programs would continue to thrive, serving as enduring sources of guidance and inspiration for generations to come.

The Speaker extended, on behalf of the Parliament, heartfelt congratulations to His Excellency, the Prime Minister, for his extensive foreign visits and engagements with bilateral and international development partners aimed at strengthening existing collaborations and exploring new opportunities. He further highlighted the opening of the Integrated Check Post in Darranga, Samdrupjongkhar, a milestone achieved under the wise counsel and vision of His Majesty, fulfilling the longstanding aspirations of the Bhutanese people. This new gateway stands as a testament to the enduring and profound friendship between the Governments of Bhutan and India and is expected to significantly enhance trade, economic growth, and tourism across Bhutan, bringing remarkable benefits to the people of the six eastern provinces. In recognition of this achievement, the Parliament expressed its sincere gratitude to the Government of India, with particular appreciation to the Chief Minister and esteemed officials of Assam State for their instrumental role in bringing this project to fruition. The Speaker also extended deep appreciation to the Prime Minister of Bhutan and all Bhutanese officials involved, acknowledging their commitment and efforts in realizing this milestone.

Following these acknowledgments, the Speaker presented the agenda for the Second Session and provided a report on the participation of Members of Parliament in the Inter-Parliamentary Union (IPU) and the Asian Forum of Parliamentarians on Population and Development (AFPPD).

In conclusion, the Speaker offered prayers for the successful proceedings of the Second Session of the Fourth Parliament, invoking the mighty grace of His Majesty the Druk Gyalpo, the Members of the Royal Family, and the collective merits of the Bhutanese people. On behalf of the Parliament, he also extended prayers for the long lives of His Majesty the Druk Gyalpo, the Members of the Royal Family, His Holiness the Je Khenpo, and other revered figures, while wishing for the continued peace and harmony of the nation and its people. **The Speakers Address is attached in Annexure I**

3. Motion on the Introduction and the Adoption of the Bill

3.1. The motion on the withdrawal of Goods and Services Tax (Amendment) Bill of Bhutan 2024

The Member in Charge of the Bill, the Finance Minister, informed the House that, in accordance with the decision made at the Preliminary Meeting for the Second Session of the Fourth Parliament on 21 October 2024, the Goods and Services Tax (Amendment) Bill of Bhutan 2024 was scheduled for its First Reading. However, the Finance Minister moved to withdraw the Bill.

He explained that although the Act was passed in 2020, its implementation has been delayed, and the Act has been amended twice since then. The Finance Minister clarified that while the Act was intended to be implemented retroactively from the date it was passed by Parliament, its implementation has not been possible due to the incomplete development of the Bhutan Integrated Taxation System.

The Minister explained that the Ministry needed to thoroughly review the Bill before submitting it to the Cabinet at least one week prior to its first reading. However, due to the nature of the Bill as a Money Bill, which requires confidentiality, it could not be submitted to the Cabinet within the required timeframe. Additionally, the Minister emphasized the need for a thorough review of the Bill before its implementation and, therefore, requested the House to support the motion to withdraw the Bill at this time.

The Member from Lamgong-Wangchang expressed support for the motion to withdraw the Bill. He stated that while taxes are necessary for recurrent expenditure, it is important to consider the people's ability to pay taxes and the current lack of readiness in the system.

The House noted that, according to a past resolution, the Ministry is required to submit the Bill for discussion only after the completion of the Bhutan Integrated Taxation System and when it is ready for implementation. Therefore, no further discussion on the Bill was necessary at this time. Additionally, the House directed the Government to consult with the Office of the Attorney General before discussing or submitting any new Bills or amendment Bills to Parliament, and to refrain from submitting or withdrawing Bills until they are fully ready for implementation.

The House then proceeded to vote on the motion to withdraw the Bill by a show of hands. The motion was approved by majority show of hands.

(On the 15th Day of the 9th Month of the Wood Male Dragon Year corresponding to 15 November 2024)

3.2. The First and Second Reading of the Cattle Tax Exemption Bill of Bhutan 2024

The Member in Charge of the Bill, the Finance Minister, moved the motion for the First Reading of the Cattle Tax Exemption Bill of Bhutan 2024. The House unanimously endorsed the motion.

During the Second Reading of the Bill, the Finance Minister explained that exempting tax on cattle would encourage farmers to invest more in cattle rearing. He further clarified that the current tax, based on the Revised Taxation Policy of 1992, applies to all types of cattle, including ox, mithun, horses, buffaloes, mules, goats, and sheep.

Under the current policy, tax rates range from Nu 1 to Nu 10 per head. Owners are taxed Nu 1 per head for up to ten of all types, Nu 5 per head for additional animals beyond ten, while the tax for sheep remains at Nu 1 per head. Although a waiver for cattle tax was considered during the drafting of the Property Tax Bill of 2022, it was excluded because cattle tax is unrelated to immovable properties.

The Finance Minister clarified that exempting cattle tax would have no significant impact on Local Government budget, as it generates less than Nu 500,000 annually. For instance, the revenue from cattle tax was approximately Nu 300,000 in 2015, around Nu 370,000 in 2016, and over Nu 460,000 in 2017 and 2018. The Minister also suggested that waiving the tax might reduce imports of butter and cheese by encouraging local production.

The Cattle Tax Exemption Bill 2024 was unanimously supported by all members present in the House and referred to the Economic and Finance Committee for review and consultation. The House scheduled the Third Reading of the Bill on 25 November, 2024. **(On the 15th Day of the 9th Month of the Wood Male Dragon Year corresponding to 15 November 2024)**

Third Reading of the Cattle Tax Exemption Bill of Bhutan 2024

The Member of the Economic and Finance Committee (EFC), from Radhi-Sakteng constituency, presented the Committee's recommendations for the Third Reading of the Cattle Tax Exemption Bill 2024 .

Background:

Cattle and livestock taxes were collected under the Revised Taxation Policy (RTP) 1992 by the Ministry of Finance, applying to all cattle types, including horses, buffaloes, and mules. According to the 1996 Rural Tax Handbook Manual, cattle include mithun, cows, yaks, buffaloes, horses, mules, donkeys, and goats. Initially, revenue from cattle taxes was deposited into the Government Account until 2002, after which it was retained by Local Governments. The Local Government Act of Bhutan 2007, under Section 57(c), allowed Gewog Tshogdes to levy cattle taxes at rates approved by Parliament.

In 2022, the Ministry of Finance proposed exempting cattle taxes to encourage investments in cattle rearing and support rural development. However, since cattle are not considered immovable property, the exemption could not be included in the Property Tax Bill 2022. As a

result, a separate Cattle Tax Exemption Bill was drafted. The financial impact on Local Governments is minimal, as the average annual revenue from cattle tax collection is only Nu. 465,154.

Tax Details:

Under the RTP 1992, cattle taxes were applied as follows:

1. Nu. 1 per head for up to 10 cattle.
2. Nu. 5 per head for cattle exceeding 10.
3. Nu. 1 per head for sheep.

Current Status:

Many Local Governments have not collected cattle taxes in recent years, with only some Dzongkhags collecting taxes for 2021–2023. The last recorded annual revenue from this tax was Nu. 465,154 in 2018.

Therefore, EFC supports the exemption of cattle from taxation is deemed vital to stimulate agriculture growth, enhance livestock productivity, and improve the livelihoods of farmers and highland communities, thereby contributing to the broader economic and social development of rural areas.

Regarding reporting, the Committee presented its two additional provisions which includes: implementation provision which states that “The Act shall be implemented from the day the Act is introduced by the Finance Minister in the National Assembly of Bhutan on 15th Day of 11th Month 2024” and the repeal provision that states “This Act repeals

subsection (c) of section 57 of the Local Government Act of Bhutan 2009.”

During the discussions, members raised a concern regarding the title of tax exemptions. While deliberating on the matter, they emphasized the need to clarify whether the imposition of taxes on livestock and other property might negatively impact individuals. Moreover, they highlighted that the current laws and systems in place could potentially lead to difficulties. Therefore, they requested a review of the issue to ensure fairness. The participant also expressed doubt about whether taxes imposed on livestock and property owners could truly be considered exemptions. They requested clarification on whether the taxation policies regarding livestock and other property are genuinely exempt or not

Furthermore, the introduction of tax exemptions for livestock must include monitoring and evaluation of livestock owners, proper record-keeping, and census-taking. Alongside these efforts, it is necessary to draft new laws aligned with the exemption policies. Additionally, strategies must be established to address challenges such as climate change, natural disasters, and issues related to environmental degradation, including windstorms and other calamities. Thorough research and deliberations on these matters are essential to ensure effective implementation. Therefore, it is important to consider these aspects carefully and take appropriate measures moving forward.

In response, the Minister of Agriculture and Livestock emphasized that to ensure proper record-keeping of livestock numbers, the National Statistics Bureau and the two relevant agencies—the Ministry of Agriculture and Livestock and the Livestock Department—have been working together since 2006. Annually, data on livestock owners is collected, compiled, and published. However, there is a need for clear understanding and transparency on this matter. The National Statistics Bureau, in collaboration with relevant agencies, has been monitoring and implementing these efforts. Therefore, there is no room for doubt, and it is hoped that this clarifies the concern.

The imposition of livestock taxes has been a significant concern, particularly for farmers and rural communities who rely on livestock for their livelihood. Given the challenges posed by long distances and remote areas, this issue has been highlighted as an area of hardship. In light of these challenges, it was suggested that tax exemptions for livestock should be considered to alleviate the burden on these communities.

In response, the Finance Minister explained that efforts had been made to address public concerns regarding the livestock tax exemption. He clarified that specific clauses related to property and sales tax under the Taxation Act had been outlined separately to reduce complications and ensure clear implementation.

The National Assembly further deliberated on each clause of the Bill, addressing any doubts or suggestions raised. The relevant committee

provided clarifications, after which the clauses of the Bill were unanimously approved. **(On the 25th Day of the 9th Month of the Wood Male Dragon Year corresponding to 25 November 2024)**

Adoption of the Cattle Exemption Bill of Bhutan 2024

Prior to the adoption of the Cattle Tax Exemption Bill, the House, by a show of hands, endorsed the report submitted by the Economic and Finance Committee, incorporating the recommendations and amendments made by the House.

Following this, the Member in Charge of the Bill, the Finance Minister, moved the motion for the adoption of the Cattle Tax Exemption Bill of Bhutan 2024. The Bill was adopted by the House, with 38 votes in favor, 3 abstentions out of 41 members present and voting. **(On the 26th Day of the 9th Month of the Wood Male Dragon year corresponding to 26 November 2024)**

3.3. Resolution of the First and Second Reading of the Parliamentary Entitlement (Amendment) Bill of Bhutan 2024

The Member in Charge of the Bill, the Chairperson of the Legislative Committee, from Nyisho-Saephu constituency, moved the motion for the First Reading of the Parliamentary Entitlement (Amendment) Bill of Bhutan, 2024.

The Chairperson explained that after assuming office, new members encountered several inconveniences, particularly the lack of proper

offices that align with their responsibilities. Additionally, it was observed that over time, there have been inconsistencies and issues in the implementation of the Parliamentary Entitlement Act. These concerns were submitted to the House Committee, which then presented its report to the plenary. The plenary subsequently directed the Legislative Committee to conduct a review of the Parliamentary Entitlement Act.

The Member clarified that while the Legislative Committee submitted the Bill as a Private Members' Bill, it is important to note that the Bill was not intended for the benefit of any single member, but rather for the improvement and strengthening of the institution. Following the plenary's direction, the Legislative Committee reviewed the Bill and submitted it to the House. The Member also submitted that it was the decision of the House if it is to be considered a Private Members Bill or not. The Member further pointed out that it was unclear whether the Bill should be considered a Private Members' Bill or a Government Bill when submitted by the Committee. He emphasized that this distinction should be taken into account when reviewing the relevant rules and Rules of Procedure in the future.

He further submitted that while there was no entitlement act for other agencies, a separate Parliamentary Entitlement Act was enacted for Parliament because it is the highest legislative and decision-making body. Recognizing the potential future challenges and risks of corruption, along with a focus on party interests and individual salaries and entitlements, the Parliamentary Entitlement Act was passed in 2008 during the establishment of parliamentary democracy.

However, during the implementation of the Act, some inconsistencies arose, leading to amendments by the Second Parliament in 2014. Later, the Third Parliament introduced the Pay Structure Reform Act of Bhutan 2022 and the Pay Revision Act 2023. As a result, some provisions were included in both the Pay Structure Reform Act and the Parliamentary Entitlement Act, causing confusion and a lack of clarity regarding which provisions should be followed. Therefore, the purpose of the amendment Bill is to clarify and harmonize the existing inconsistencies.

He emphasized that it is crucial for people to understand that the Parliament is mandated to amend, repeal, and make new laws and Parliament has to do so in line with the changing times and needs. He further stated that discussions of this nature can only take place in Parliament.

The Chairperson also highlighted that upon assumption of office after the election the new members of Parliament faced the issue of inadequate office space and were provided with old iPads and printers that were not functioning properly, causing challenges in effectively carrying out their responsibilities.

He submitted that considering all these issues and under the directive of the House the Legislative Committee moved the motion for the amendment of the Parliamentary Entitlement Bill.

The House endorsed the motion for First First Reading of the Parliamentary Entitlement (Amendment) Bill 2024 by show of hands.

Second Reading of the Parliamentary Entitlement (Amendment)

Bill of Bhutan 2024

The Member in Charge of the Bill moved the motion for the Second Reading of the Parliamentary Entitlement (Amendment) Bill of Bhutan 2024. In presenting the motion, he submitted that the primary reason for proposing the amendment was the existing inconsistencies between Section 61 of the Pay Structure Reform Act of Bhutan 2022 and the Parliamentary Entitlement Act.

Section 61 of the Pay Structure Reform Act stipulates that a designated duty vehicle shall be maintained at the existing level for position level EX3 and above, including Members of Parliament, until the Government reviews and rationalizes the policy. Section 62 further specifies that each Member of Parliament shall be provided with either a designated duty vehicle or a one-time lump sum grant for the purchase of a vehicle, along with allowances for a driver, fuel, and maintenance.

Similar provisions are also included in the Parliamentary Entitlement Act and have not been repealed although it is customary for the provisions of the old Act to be repealed. Therefore, the amendment is being submitted to provide more clarity in the implementation of the Acts.

Further he submitted that, Members of Parliament are faced with office space constraints. For example, two members are required to share a small office, which hinders the work of the Members, especially when one member has visitors from their constituency. There are also

concerns related to inadequate office equipment and space for research assistants, which affects the work productivity. He submitted that out of the total of 21 amendments proposed, 15 sections were revised and 6 new clauses were proposed with 2 new sub sections. Additionally, four new sub-sections have been added in the Annexure.

The House directed the Legislative Committee to further review the Bill and present its report for the Third Reading on November 26 concluding the First and Second Reading of the Bill. **(On the 15th Day of the 9th Month of the Wood Male Dragon year corresponding to 15 November 2024)**

Third Reading of the Parliamentary Entitlement (Amendment) Bill and Its Postponement

The Member in Charge of the Bill, the Chairperson of the Legislative Committee, Member from Nyisho-Saephu Constituency, presented the report for the Third Reading of the Bill. The Member reported that while studying the reason for increasing attrition rate of civil servants it was found that it was due to the Pay Structure Reform Act which had adversely affected the work conditions and facilities.

The Member highlighted that nearly a year has passed since the Fourth Parliament assumed office, and it is essential for Members of Parliament to fulfill their constitutional mandate by addressing national issues and conveying policy-related challenges to the government. To effectively serve as representatives of the people, it is crucial to first ensure that Members have access to adequate facilities and resources within

Parliament. The Member emphasized that enhancing entitlements and improving working conditions would enable them to perform their duties more efficiently and effectively.

Furthermore, the Parliamentary Entitlement Act and the Pay Structure Reform Act contain overlapping provisions. To address this, the Legislative Committee was tasked during the first session with reviewing existing policies to ensure consistency and uniformity. Following these discussions, the House entrusted the Legislative Committee with the responsibility of conducting a thorough review. As a result, the Committee identified approximately 20 sections requiring amendments and submitted a detailed report, including an annexure, to the House.

While witnessing the debates in the House, the public may have the perception that Members are merely advocating for their entitlements. However, it is important to clarify that Parliament is the rightful forum for discussing, reviewing, and amending legislation and policies when issues arise. Any necessary amendments to existing Acts must be addressed within the House through due legislative process. Furthermore, since the Bill is not a Money Bill or an Urgent Bill but an Ordinary Bill, its adoption requires time. Considering this, the amendment has been introduced to ensure a thorough and deliberative process.

The Member submitted that the Legislative Committee has proceeded with the House's directive, despite public criticism considering the future benefits and implications. The Member expressed his hopes that

the House would deliberate the Bill with a broader perspective and submitted that during the deliberations, the Committee would provide clarification on any section requiring clarification.

The House carried out a thorough deliberation on the amendment Bill, reviewing its provisions up to Section 13. During the discussions, the Member in Charge of the Bill, the Chairperson of the Legislative Committee informed the House that the public was of the opinion that there was a need to consolidate all the Acts regarding the entitlements of civil servants, local government officials, and members of Parliament and constitutional offices.

The Member further proposed for the adjournment of the deliberations, emphasizing the need for further discussion on the potential consolidation of the Parliamentary Entitlement Act and the Pay Structure Reform Act. The Member submitted that the Government should conduct a thorough review of both Acts to assess whether they should be merged into a single comprehensive Act. Additionally, the Member highlighted the need for implementation of Sections 61 and 62 of the Pay Structure Reform Act by the government, as well as examining the proposed repeals of certain provisions related to parliamentary entitlements under the Parliamentary Entitlement (Amendment) Act 2023, the Pay Structure Reform Act of Bhutan 2022, and the Pay Revision Act 2023.

The Deputy Chairperson of the Legislative Committee and Member from Thrimshing-Kangpara supported the proposal submitted. The

House unanimously approved the motion through show of hands and the House directed the Government to submit the two Amendment Bills for discussion in the Summer session and also report on the implementation status of Section 61 and 62 of the Pay Structure Reform Act. The Chairperson of the Legislative Committee also highlighted the importance of recognizing the historical foundation of the Parliamentary Entitlement Act, which was originally drafted in 2008 based on a Kasho and the broader intention behind establishing a separate Act specifically for the Parliament. (On the 28th Day of the 9th Month of the Wood Male Dragon Year corresponding to 28 November 2024)

4. Follow-up Report on the Resolution

4.1. Report on the need for Establishing Crop and Livestock Compensation Trust Fund

The Minister of Agriculture and Livestock reported that following the resolution passed by First Session, to establish a crop and livestock compensation trust fund, the Ministry immediately sent its established technical team for consultation meeting with the Ministry of Finance, the Royal Insurance Corporation of Bhutan Limited, and Bhutan Insurance Limited. Following several consultation meetings, proposals were submitted to the Ministry of Finance, and expert guidance was sought from the Ministry.

The Minister further informed that to finalize the proposal, additional consultations were held between officials from the Ministry and the

Ministry of Finance. These discussions resulted in the completion of the final proposal, which is now being prepared for submission to the Cabinet. Once the proposal is submitted and approved, the Ministry plans to move forward with mobilizing the fund.

The Minister stated that the current proposal focuses on seven selected commodities: paddy, maize, potato, orange, cattle, poultry, and piggery. He elaborated that, as mentioned in the previous session, solely establishing a Trust/ Endowment Fund for crop and livestock compensation would not be sustainable. Therefore, the Ministry plans to implement both a trust fund and an insurance scheme. However, he emphasized that, in the absence of the trust fund, the establishment of an insurance scheme would be more beneficial.

During the deliberation of the report, the Members stressed the importance of establishing crop and livestock trust funds, as outlined in the resolution of the First Session. They highlighted concerns that if the compensation fund were implemented as an insurance scheme, rural communities might not be able to afford the necessary premiums. Additionally, they pointed out that the process of obtaining compensation through the insurance system could be cumbersome and inconvenient for these communities.

Members also raised concerns regarding the government's potential decision to establish compensation as an insurance scheme. Specifically, questions were raised about the percentage of insurance cost to be

covered by the government and on the development of strategies for the Trust Fund by the Ministry in consultation with the Ministry of Finance and other countries. Members also suggested that, regardless of whether compensation is structured as a trust fund or an insurance scheme, public consultation would be essential. The Members also emphasized the importance of setting an establishment date for the Crop and Livestock Compensation Trust Fund. Furthermore, questions were raised on the inclusion of highland livestock in the seven proposed commodities covered under the Compensation Trust Fund.

The Minister of Agriculture and Livestock informed the House that discussions had been held with the UNDP regarding the Compensation Fund. He further explained that, due to the current global situation, there is limited support for enrollment and trust funds for budget mobilization, which is why the initiative has been included as part of the insurance scheme. The Minister also clarified that the plan is to launch the initiative next year and that highland livestock is also included among the seven proposed commodities.

Additionally, the Minister submitted that the Ministry would submit a report on the program consisting of seven proposals for the Crop and Livestock Compensation Fund within a year to the House. The House through show of hands with 29 members supporting the proposal endorsed the submission. The House directed the Ministry of Agriculture and Livestock to submit the report in the Third Session.

During the expression of dissenting opinion, the Members from the South -Thimphu and Nyishog-Saephu Constituencies submitted their reasons for not supporting the proposal. They argued that the motion had already been adopted in the previous session and introducing a new resolution to repeal the earlier one, without following proper procedures, contradicted the rules of the House. **(On the 18th Day of the 9th Month of the Wood Male Dragon year corresponding to 18 November 2024)**

4.2. Report on the Improvement of Healthcare Services.

The Minister for Health reported that, in line with the resolutions passed during the First Session, the Ministry is working towards improving the quality of healthcare services. The target is to achieve a 95% improvement in the availability of essential medicines and create a more uniform distribution network. Additionally, the 13th Five-Year Plan includes the construction of regional hospitals in Samdrup Jongkhar and Paro, as well as plans to appoint a public health officer in each district to handle administrative and other duties.

A proposal has been put forward to the Royal Civil Service Commission and the Cabinet to reinstate traditional medicine and medical services as a Department highlighting the importance of maintaining 95% of essential medicines in stock at all times in the health centers. Furthermore, the previous issues related to medicine distribution, which were caused by human resource constraints, have been resolved in collaboration with the Royal Civil Service Commission.

The Minister also reported that the system for ensuring the quality of medicines has been revised, with all examinations now centralized in Thimphu. Measures have also been implemented to store additional medical supplies for emergencies. Under the 13th Plan, new hospitals will be constructed in Samdrup Jongkhar for the eastern region and in Paro for the central and western regions.

Furthermore, Out Reach Clinic (ORC) services have been resumed and provision of monthly services are being planned. Emergency facilities have been established in all twenty dzongkhags, and it has been reported that the National Referral Hospital is fully equipped with emergency resources. Additionally, emergency services, including helicopters, ambulances, and related support systems, have been fully set up.

The Minister also reported that discussions have been held with the World Health Organization (WHO) and the Government of Japan regarding the proposal to install additional CT scan and MRI machines at the National Referral Hospital. The possibility and feasibility of acquiring MRI machines changed every three years in developed countries are also being considered. Additionally, the emergency ward at the National Referral Hospital has been expanded to accommodate 36 beds, and more nurses have been recruited to enhance patient care.

The Minister reported that plans have been made to award recognition medals on World Health Day to motivate health workers to enhance their efforts. Additionally, there are plans to establish a children's daycare center, a restaurant, and a gym at the National Referral Hospital.

The House expressed gratitude to the Minister of Health for presenting the follow-up report on the resolution, with particular appreciation for the reinstatement of the Traditional Medicine Hospital as a Department. The House also requested measures to ensure the provision of ORC services in rural and suburban areas, as well as the allocation of travel allowances for staff during emergencies.

The Members also sought clarification on the rationale behind the plan to allocate one additional Public Health Officer, in addition to the existing Dzongkhag Health Officers. Concerns were raised about how to address the ongoing shortage of doctors and nurses to improve the efficiency of public services. While the construction of medical storage facilities is seen as a positive development, it was suggested that it would be more beneficial to build these facilities in Trongsa and Zhemgang in the central region, rather than in Paro. Additionally, it was proposed that the government consider procuring refurbished internal examination equipment as a cost-effective solution.

Some Members raised public concerns about the increasing lead content in medical products and stressed the importance of strengthening and stabilizing the Bhutan Drug and Food Authority. They inquired about the Ministry's plans and initiatives to address these concerns. Furthermore, attention was drawn to the deteriorating condition of the Basic Health Unit (BHU) in Phuentenchhu Gewog, Tshirang Dzongkhag, which has developed cracks and sustained significant damage, causing considerable

inconvenience to the local community. Members urged the government to provide support for the renovation and maintenance of this facility.

Moreover, while the change of government every five years is a fundamental aspect of democracy, it often disrupts the continuity of transformational projects and results in the wastage of government resources. This occurs when the plans and initiatives of one administration are altered or restructured by the succeeding government. Members expressed concerns about this issue and inquired about the Ministry's strategies to ensure that policies and systems remain sustainable over time, regardless of changes in government. Additionally, they sought clarification on the alternative solutions if the plans submitted by the Ministry of Health to the Royal Civil Service Commission (RCSC) do not receive approval

The Minister of Health informed that the Ministry would evaluate the necessity of travel allowances for ORC and emergency medical personnel in rural areas. While the roles of the former district medical officer and the current public medical officer differ, the delivery of health services, though time-consuming, does not endanger human lives. Despite a shortage of doctors and nurses, measures are being implemented to address the issue. The establishment of a central clinic in Paro was justified by its strategic location, functioning as a hub for medicine imports during epidemics and benefiting from its proximity to the airport.

The Computed Tomography Scan (CT) and Magnetic Resonance Imaging (MRI) machines currently in use in the country are 15 years old, and the Ministry plans to procure new equipment that is no more than three years old, aiming to benefit the public and the Ministry expressed hope for the House's support for this decision. Additionally, to motivate health workers, the Ministry has planned to celebrate World Health Day from this year to recognize and reward health service providers for their contributions. The Ministry also intends to establish an Early Childhood Care and Development (ECCD) center at JDWNRH.

Following the resolution passed by the House, the Ministry of Health has consulted with the Ministry of Finance to establish the Medical Supplies Division (MSD), hoping for swift approval from the Royal Civil Service Commission and the Cabinet. The Minister expressed gratitude to the Health Secretariat for their assistance in reporting the progress to the House.

The House expressed its gratitude to the Minister of Health for implementing the resolution passed during the First Session to enhance health service delivery and for providing a progress update to the House. **(On the 18th Day of the 9th Month of the Wood Male Dragon year corresponding to 18 November 2024)**

4.3. Report on the Establishment of Constituency Development Grants

The Finance Minister while reporting on the Constituency Development Grant informed the constituency development grant was established

during the time of the first government with an annual allocation of Nu 2 million. However, the grant was discontinued following controversy that it was not in line with the Constitution.

In the First Session, the House passed a resolution to create the Constituency Development Grant, which was later renamed the Priority Development Grant. However, after reviewing the resolution, the Ministry concluded that implementing the Priority Development Grant would not be in line with the Constitution and result in inefficient use of funds.

The Finance Minister informed the House that there have been complaints regarding the Constituency Development Fund, particularly concerning the allocation of funds to non-prioritized activities and the failure to follow the established guidelines for its use. Additionally, there were concerns that it could interfere with fair elections. Therefore, the Minister recommended against the establishment of the Constituency Development Fund. However, if the House insists, the Ministry is willing to review the matter further.

During the deliberation, Members noted that the House Committee had thoroughly reviewed the Constituency Development Grant, considering its alignment with the Constitution, the independence of the three branches of government, and potential interference with local governance. Following which, the House revived the report and directed the Ministry of Finance to develop guidelines and an implementation

plan for the Constituency Development Grant and submit it to the House. Members emphasized that the focus should be on implementing the resolution as passed, rather than revisiting its legality.

Members pointed out that if the issue was one of legality, the proposal for the Constituency Development Grant (CDG) came from the ruling government, and they should have been aware of its legality before presenting it. They also noted that concerns about underutilization of the budget are not unique to the CDG, as annual budgets are sometimes underutilized as well. Members further emphasized that revisiting and changing the House's resolution could undermine its credibility.

Members also raised that the authority to determine the legality of the Constituency Development Grant (CDG) lies with the Office of the Attorney General (OAG) and there was no need for discussion of legality by the House. If the CDG were approved, it could significantly benefit the people and contribute to fulfilling the Government's commitments. The previous underutilization of such grants may have been attributed to insufficient human resources within the local government.

The House upholding the resolution passed in the First Session regarding the Constituency Development Grant, the House directed the Ministry of Finance to allocate the CDG budget during the preparation of the Budget for the next financial year and to develop a clear framework for its implementation and submit a report to the Third Session as per Article 103 of the Rules of Procedure of the National Assembly, the Ministry of

Finance would resubmit its review report during the Third Session. (On the 18th Day of the 9th Month of the Wood Male Dragon year corresponding to 18 November 2024)

4.4. Report on Review of RCSC's MaX System and removal of the Bell-Curve Ranking system

The Prime Minister reported that following the resolution of the First Session , Fourth Parliament of the National Assembly, to review the RCSC's MaX System and the elimination of the Bell Curve ranking system, he personally held consultation meetings with the Chairperson of the RCSC, Cabinet Secretary, Committee of four Coordinating Secretaries, and other relevant stakeholders. He explained that, following several consultation meetings, the RCSC shared their research findings which was presented to the House based on the following five key areas:

Legal Framework:

The Prime Minister explained that, according to the RCSC, under the provisions of the Constitution, it has the mandate and authority to review the MaX System. He emphasized that the National Assembly does not have the mandate or authority to review the MaX System or abolish the performance moderation (bell-curve) system, as the RCSC is an only independent constitutional body responsible for such matters.

Statistical Analysis:

The Prime Minister stated that the statistics claimed by the Committee as 89% resignations were not accepted by the RCSC. Instead, according

to the RCSC, formal research was conducted to assess the following reasons for exiting civil service:

The Prime Minister outlined the reasons for civil servants leaving their positions, based on the RCSC's research. Family and personal reasons were the most common, accounting for 25.66% of resignations. This was followed by further education at 16.81% and superannuation at 15.93%. Other significant reasons included seeking better opportunities with higher pay (11.50%) and the completion of contract terms (10.62%). A smaller percentage cited job dissatisfaction (6.19%) and limited career advancement opportunities (4.42%) as reasons for leaving. Factors such as work-life balance, conflicts with supervisors or management, and financial insecurity accounted for around 4% or less each. Additionally, there were a few isolated cases, including resignations due to (PMS) over three consecutive times and missing data, each making up 0.88%.

He also stated that according to a detailed study conducted by the RCSC in collaboration with the Harvard Extension School, the reasons for civil servant attrition include the lure of higher incomes and better economic opportunities abroad, as well as job insecurity and the high cost of living in Bhutan. He also stated that currently, there are a total of 30,128 civil servants; the current attrition rate stands at 4.7% which is notably lower than the attrition rates observed in 2022 and 2023.

The establishment of a Global Performance Management System practices:

According to the report, this system plays a crucial role in both public and private sectors by improving the efficiency of service delivery, supporting the achievement of policy goals and objectives, and being widely implemented in numerous countries around the world.

Managing for Excellence (MaX): A detailed report was presented to the House, focusing on the transformation of Bhutan's efficient management system. The report explained the concept of efficient management for civil servants, its significance, and the rationale for adopting the Bell Curve as a key component of the system.

What the commission is doing about the Performance Management System: It is reported that the Commission is working in consultation with the Managing Director to improve the performance management system, emphasizing that developing collaborative solutions will lead to significant success.

Way forward: For the performance management system to evolve into a long-term and sustainable solution, state leaders must provide sufficient time to establish its foundation, as this is essential for realizing its full benefits. Parliament is also encouraged to allow this time. The report was presented clearly, and the Prime Minister has expressed his full support for the report submitted by the Royal Civil Service Commission.

During the discussion in the House on this report, some members pointed out that the report acknowledges the Civil Service Commission as an independent institution, in accordance with constitutional requirements, and confirms that it is the Commission's responsibility to review the Civil Service Management System. It was agreed that the Government and the National Assembly do not have the authority to review the Civil Service Administration system, as Article 10(2) and Article 26(9) of the Constitution grant Parliament the power to do so. This decision was made due to issues arising from the large number of civil servants during the members' visit, which caused tensions between employees and management, negatively impacting relations within the institution. Parliament aims to resolve these issues without undermining the power or rights of the Royal Civil Service Commission.

Furthermore, if the relevant institutions focus solely on the legal aspects related to their specific duties, without fully understanding the broader implications of the law, it will impede the ability to address the people's issues through effective collaboration and cooperation between institutions.

The Prime Minister stated that the Royal Audit Authority and the Anti-Corruption Commission, as constitutional institutions, customarily submit their annual reports to Parliament for deliberation. Moreover, there was an instance when the Royal Audit Authority submitted the Judiciary's Agency Audit Report to Parliament for deliberation, leading to the resolution of issues and inefficiencies within the Judiciary.

Accordingly, the Prime Minister urged all institutions to refrain from exercising authority in isolation and underscored the importance of fostering inter-institutional collaboration to effectively address the needs and concerns of the public.

Some Members raised concerns stating that, in other countries, civil servants categorized as “Needs Improvement” are often supported by being provided opportunities for further education and training to enhance their skills, thereby enabling them to become capable and competent. However, in Bhutan, there is no such practice of offering such support. Furthermore, it was stated that instead of extending these opportunities, individuals eligible for promotions are sometimes denied, leading to strained relationships and conflicting loyalties between senior and junior officials. This, in turn, fosters enmity, diminishes cooperation, and weakens societal bonds.

In the same vein, some Members highlighted the need for the commission to provide records on the number of civil servants categorized under “Needs Improvement” and the training programs implemented for their development. The parliament examines laws and policies and engages in discussions on community issues to address such challenges. Resolutions submitted by the house to the commission should first be reviewed within the house to ensure they align with existing laws. If any resolution is found to contravene the law, appropriate solutions must be proposed, and accountability measures should be addressed accordingly.

Several Members highlighted that the Performance Management System has been undergoing changes in recent years. Records indicate that as of April 2024, around 10,811 civil servants have retired. The country now has approximately 28,864 civil servants, with 36.46% of experienced personnel already retired.

The Commission's research report is based on feedback from 113 retired civil servants, whereas the committee's report is derived from a broader sample of 3,038 civil servants, highlighting the need for careful validation. The findings indicate that 13.2% of civil servants retired due to transformation initiatives, 0.9% due to family-related issues, 13.8% because of financial constraints, 9.3% due to promotion criteria, and 43% as a result of the MAX System. Members have called on the government and the commission to conduct a comprehensive review and resolve these concerns promptly.

The Prime Minister emphasized that the Constitution grants each institution with specific authority, and therefore, the directives provided by the House could not be fully implemented. He highlighted that the civil service management system includes not only the "Needs Improvement" category but also other outstanding categories. Implementing these resolutions would effectively cancel the other Outstanding category, and the removal of the "Max Moderation" system could create significant challenges for the civil service, underscoring the importance of the matter. The Prime Minister also reminded the House of the civil service

transformation journey, noting that everyone is aware of its origins. He clarified that the appointments in constitutional institutions were not made based on his recommendations, making him not accountable for those decisions.

In response, the Speaker, on behalf of the House, acknowledged the Royal Civil Service Commission's assertion of being a Constitutional Body. While the Commission is not required to submit reports directly to the House, it is mandated to submit an annual report to the Prime Minister. Accordingly, the House, through the Prime Minister, requested the Commission to address the inconveniences caused by the MaX System and the Bell-Curve. The report was then submitted to the House through the Prime Minister, emphasizing that Parliament has a responsibility to address issues faced by citizens, ensuring that this process aligns with the Constitution.

However, the House did not agree with the report on the implementation of the resolution submitted by the Royal Civil Service Commission, as determined by a show of hands. Out of 46 members, 17 voted in favor, while 29 members did not vote, resulting in a lack of majority in acceptance of the action taken report. The deliberation on the follow-up report concluded with the House directing that a further report be submitted in the next session, in accordance with Section 103 of the Rules of Procedure of the National Assembly 2022. **(On the 28th Day of the 9th Month of the Wood Male Dragon year corresponding to 28 November 2024)**

4.5. Report on the issue faced by the public regarding the electric pole and power lines on private land.

The Minister of Energy and Natural Resources reported on the motion raised during the first session regarding the inconveniences caused by electricity poles. Members of the House discussed the public challenges associated with electricity cables, passed a resolution, and submitted it to the Ministry. The minister stated that in 2023, the Bhutan Power Corporation (BPC) served 243,258 electricity customers nationwide. Electricity supply, and distribution were carried out in consultation with the public, following the rules and regulations, and affected landowners were provided with land replacements.

Between 2021 and 2023, in response to residents' complaints about inconveniences caused by electricity poles and wires, the Bhutan Power Corporation (BPC) completed 375 distribution system shifting works at a cost of Nu. 94 million and managed approximately 1,736.86 kilometers of transmission lines.

The Minister informed that around 17,252.39 kilometers of lines are allocated for rural supply and line transfer transmission. Transmission lines have impacted 12,364 acres of private land nationwide, with 1,557 towers built on private plots. While public concerns are valid, relocating power lines is a complex and expensive process, making it difficult to fully resolve the issue. Any required relocations would incur significant costs, potentially necessitating an increase in electricity taxes, which would ultimately affect the public. So far, the electricity corporation has

installed smaller poles, with the cost of relocating 375 distribution lines and substitutions estimated at Nu. 94 million.

While installing electricity poles and wires, the Bhutan Power Corporation (BPC) takes measures to avoid placing them on private land. In cases where private land is affected, it has been decided to provide replacement land with government approval. Although compensation for electricity right-of-way is not feasible, the Ministry will explore options for providing replacement land or funding if the relocation of electric poles becomes necessary. The Minister informed the House that a detailed report on these issues, following thorough research, will be presented in the Third Session.

During the discussion on the report, Members highlighted concerns about individuals who inherit small plots of land and are not able to use that limited land for construction or cultivation due to the presence of electric poles and cables. Despite being unable to utilize their land, they are still required to pay annual land taxes and the Members urged the government to take prompt measures to address this issue

Members submitted that if the government could not provide land substitution or relocating the poles, alternative solutions such as paying lease for the affected land to the owners should be explored. The government was also reminded of the importance of public consultation when drafting future legislation on the right of way.

Some Members highlighted that under the Electricity Act and land Act, individuals must surrender their land to the government when required. However, the government is equally obligated to provide land substitutes to those affected. They emphasized that the challenges are not limited to the installation of electricity poles and wires but also stem from restrictions on utilizing land near these installations. A major issue is that some people built houses without fully understanding the laws, leaving them to face significant inconveniences. The Members requested the government to consider providing replacement land where possible or offering compensation to those impacted.

In response, the Minister of Energy and Natural Resources stated that electricity poles and wires have been installed in rural areas without exception, and every effort is made to minimize any damage to residents' properties and land. If residents' land has been affected by the installation of electricity poles and wires, the government will explore options to compensate with alternative land. If replacement land cannot be provided, the government will consider relocating the electric poles, regardless of the cost. The minister further assured that a progress report on this matter will be presented in the next session.

The House through show of hand acknowledged the follow up report submitted by the Minister for Energy and Natural Resources. However, as several issues still required further review, the Minister was instructed to provide a detailed progress report in the Third Session, as per Section 103 of the Rules of Procedure of the National Assembly of Bhutan. With

this directive, the discussion on the follow-up reports was concluded.

(On the 28th Day of the 9th Month of the Wood Male Dragon year corresponding to 28 November 2024)

5. Review Report by Good Governance Committee (GGC) on the Annual Anti-Corruption Commission Report 2023-2024.

The Chairperson of the Good Governance Committee (GGC), Member from Sergithang Tsirangtoed constituency presented the Review Report of Anti-Corruption Commission (ACC) Report 2023-2024.

The Chairperson reported that in alignment with this transformative vision, the Anti-Corruption Commission (ACC) has been steadfast in driving reforms as guided by its Strategic Anti- Corruption Roadmap 2021-2030. These reforms are essential to ensuring that the ACC remains proactive, intelligent, adaptable, and effective. Since the establishment of the ACC on 31 December 2005, the government has allocated a total budget of Nu.1,961.598 million, including pay and allowances, The Annual Report 2023-2024 is the 17th Report being submitted to His Majesty The Druk Gyalpo, the Prime Minister, and Parliament as per Article 27(4) of the Constitution of the Kingdom of Bhutan and Section 169(1) of the Anti-Corruption Act of Bhutan (ACAB) 2011.

The Chairperson reported that in the reporting year, the Anti-Corruption Commission (ACC) investigated 66 cases, a decrease from 77 in the previous year, with 45 completed investigations, resulting in 26 prosecutions and 12 administrative actions.

Financial restitution amounted to Nu.86.364 million, a drop from the previous year. The conviction rate increased significantly to 93.5%, with 87 out of 101 defendants convicted. The commission also handled 163 corruption reports, including 37 investigations and 42 referrals for administrative action, which led to Nu.1.014 million in recoveries.

Efforts in proactive intelligence, enforcement, and advocacy included training over 5,000 individuals, revising legal frameworks, and conducting studies on sectors prone to corruption. Organizational improvements included digital transformation and enhanced international collaboration. However, the ACC faced staffing challenges with a high attrition rate of 17.9%.

The Chairperson also reported that the ACC focused on value-based anti-corruption education through general advocacy, interactive sessions, and long-term behavioral change programs targeting youth and public sector employees. A total of 73 sessions engaged over 6,700 participants, with significant outreach in grassroots communities. The ACC also conducted ethics and integrity training for specific sectors, reaching 1,226 officials in-person and 5,000 online.

In terms of corruption reporting, the ACC received 322 reports, with 33 qualifying for investigation while 159 were closed with no further action due to the absence of corruption elements and ACC conducted 23 search and seizure operations. During the year, 45 cases were closed, 22 were referred for prosecution, and 87 defendants were convicted, resulting in a 93.6% conviction rate.

The Anti-Corruption Commission (ACC) is working towards reducing administrative corruption reports to less than 5% by 2030, with plans to upgrade its Administrative Complaints Resolution Services. However, the ACC faces significant challenges in staffing and retention, with a high attrition rate of 17.9%, leading to the loss of 28 staff members in one year.

The ACC has implemented strategic proposals to address this, including improved promotion criteria and retention incentives. Despite these staffing challenges, the ACC has made progress in digitalization, launching the Complaints and Investigation Management System Plus (CIMS+) and working on other technological advancements to improve operations.

The ACC's human resource capacity remains a concern, as many staff members are at foundational competency levels, limiting advancement. Financial constraints, with an approved budget of only 68.6% of the proposed amount, further hinder the ACC's ability to fulfill its mandate, compounded by challenges in the revenue system that expose the country to corruption risks.

The House, after deliberating on the four recommendations of the ACC and three recommendations of the Committee, adopted the recommendations as provided below:

The Government to empower Law Enforcement and Regulatory Agencies to effectively serve as gatekeepers of integrity & anti-

corruption efforts through enhancement of compensation, regulatory reform and enhancement of investigative, intelligence and technological capacity.

1. The Government to sustain the Momentum of Monitoring & Evaluation Framework for Integrity and Anti-Corruption Initiatives through integration of anti-corruption as a key dimension of the National M&E framework, incorporating anti-corruption in performance-based budgeting and embedding anti-corruption indicators in the RCSC's performance dashboard.
2. All relevant agencies to reinforce Accountability & Oversight Mechanisms through strengthening parliamentary oversight functions, engaging citizens and civil society and enhancing information disclosure.
3. All relevant agencies to prevent Corruption Risks in the Revenue Mobilization through legislative and policy reforms, strengthening enforcement and monitoring, and enhancement of business regulatory environment.
4. The ACC to conduct more public education and awareness on transparency and integrity to reduce corrupt practices.
5. The Ministry of Finance to allocate an adequate budget and the RCSC to provide adequate human resources to the ACC, considering that success in curbing corruption is attributable to the strong political will of the Government.
6. The ACC, in collaboration with the Election Commission of Bhutan, should facilitate polling from their place of residence by

During the deliberation, the House also proposed and endorsed four additional recommendations that include:

1. The Government to continue expanding online services, which would not only reduce Turn-Around-Time but also ensure transparent, smooth, equitable services and curb corruption between service providers and recipients.
2. The National Assembly of Bhutan to discuss with the National Council of Bhutan for establishment of a joint parliamentary committee to review ACC's annual report and the National Integrity Assessment Reports.
3. The Good Governance Committee to compile and submit a comprehensive report, detailing the total number of corruption-related judgments passed to date and the current status of restitution and asset recovery in these cases in the next session.
4. The Good Governance Committee to present its review report on the compensation and rehabilitation to the people who are acquitted or whose cases are dismissed by the Court in the next session.

The majority of Members supporting the committee's and ACC's recommendations emphasized the need for the GGC to follow up on the implementation of previous recommendations and report on their progress in the next session. Strengthening accountability was

also highlighted as a priority. Concerns were raised about the lack of attention to nepotism and favoritism, which are significant drivers of corruption, and the limited access to information, which also contributes to corruption.

Additionally, Members expressed concerns about the effectiveness of inexperienced leaders and staff, particularly given the limited budget for capacity-building efforts.

One of the key recommendations was to raise awareness, including advocating for school-going students and other educational institutions. It was noted that while there is a shortage of human resources and budget, specific figures for the shortages were not provided. It was also mentioned that cases such as collapsed bridges should be addressed and the target groups for advocacy should be clearly identified.

GGC Members responded that advocacy and awareness are fundamental to reducing corruption, with programs like the DAMTSE program for children. However, the ACC requires sufficient resources to carry out such initiatives. Additionally, it was emphasized that to change corrupt practices, it is essential to change mind-set, and ACC should work without reluctance and encourage public support.

Regarding service delivery, it was recommended that online services should have a defined turnaround time to ensure timely access, instead of requiring individuals to meet officials in person. It was also noted that

reducing corruption is a government responsibility, requiring political will, budget support, and adequate human resources.

The ACC's budget was reduced from 258.89 million in the 12th FYP to 237.75 million in the 13th FYP, with the reduction attributed to fewer capital activities. Members acknowledged that budget constraints have been an ongoing issue and that ACC should specify the resources needed to build staff capacity.

Further, the need of Royal Accountability Authority's role in reducing corruption was emphasized, as well as the need for greater responsibility in asset declaration. Members suggested that all individuals should explain the sources of their assets, which would contribute to transparency and corruption reduction. New strategies and policies must be developed to address corruption, with a focus on simplifying regulations. The government and RCSC should address the human resource and budget constraints to ensure the ACC can continue fulfilling its mandate.

The Committee also recognized that one of the root causes of corruption is inadequate laws and poor implementation, particularly during asset declaration. ACC should collaborate with financial institutions, land commissions, and other relevant agencies to monitor asset declarations and enhance online services, moving toward e-governance. A special committee should be established to discuss the way forward and report in the next session.

Finally, it was noted that the election period sees a high number of corruption cases, and if the ACC and ECB could facilitate polling booths in their respective areas, it would help cover expenses for postal ballots. This service was previously offered but was halted due to a lack of resources.

After all recommendations were endorsed through a show of hands, the House then voted on the recommendations with 38 Yes Votes, 1 No Votes and 2 abstained out of 41 Members present and voting, thereby passing all four recommendations by ACC and three recommendations of Committee with four additional recommendations from the floor. The deliberation on the Review Report of Annual Anti-Corruption Commission Report 2023 to 2024 with the House reminding the relevant agencies and organizations to consider the recommendations. The voting list provided in Annexure 3. **(On the 20th Day of the 9th Month of the Wood Male Dragon Year corresponding to 20 November 2024)**

6. Motion

6.1. Motion on requirement of Pension Act

The Deputy Chairperson of the Good Governance Committee presented that the establishment of a pension system for government employees in Bhutan dates back to 1962, starting with the Gratuity Scheme and expanding to include the military in 1967. Recognizing the importance of post-retirement welfare amid rapid socio-economic changes, His Majesty the Fourth Druk Gyalpo issued a Royal decree to review retirement benefits for government employees.

In 2000, the National Pension and Provident Fund (NPPF) was created as an autonomous agency under the Ministry of Finance. Despite its long existence, there is no formal National Pension Policy, and NPPF still operates based on outdated executive orders, resulting in inefficiencies in governance and fund management.

A major concern pertaining to the pension system is that it allows civil servants for a lump sum pension after 20 years in service but will have to resign to get the pension. Employees who exceed 20 years of service are only eligible for the provident fund upon retirement, and they receive the pension as a monthly payment. This has led to a high rate of attrition by the civil servants before they complete 20 years of service. Between 2021 and 2024, over 4,700 civil servants resigned, a troubling trend that undermines the stability of the public sector workforce.

Meanwhile, the 10,284 pensioners who remain are struggling to keep up with the rising cost of living. This situation calls for policy interventions to make pensions more attractive and to ensure the retention of skilled civil servants, especially in the face of an aging population, with 7.4% of the population projected to be over 65 years old by 2027.

The Committee that reviewed the current pension system identified several key issues. First, there is the high attrition rate of civil servants who resign before completing their 20 years of service. Second, the coverage and enforcement of the pension system are limited, covering only 9% of the population, with difficulties in enrolling private sector

workers as required by the Labour Act of 2007. Additionally, the dependency ratio is worsening due to increased life expectancy, leading to a growing number of pensioners compared to the limited number of contributors.

NPPF also faces challenges in investment, as its funds are primarily invested in low-yield loans within the domestic market, with limited access to more lucrative external markets. To address these issues, there is an urgent need for a Pension Act to empower NPPF and make the pension system more sustainable.

The lack of autonomy in NPPF, which operates under a rigid bureaucratic structure, restricts its ability to diversify its investments and improve returns. The recommendation is to grant more autonomy to NPPF, enabling it to maximize its profits and better serve retirees.

Strengthening the pension system will not only provide better financial security for retirees but also help retain skilled civil servants, ensuring the stability of the public workforce in the face of demographic changes. Towards solving this problem, the Committee made the following recommendation.

1. The Ministry of Finance tabled a National Pension and Provident Fund Bill to the winter session of 2025.

During the discussion, the majority of the Members expressed strong support for the drafting of a Pension Act, recognizing that it would

strengthen social security protection, prevent civil servants from resigning before completing 20 years of service, and encourage capable individuals to pursue a career in the civil service.

They also pointed out that, unlike in other countries where employees are eager to join pension schemes, civil servants in Bhutan are often reluctant to do so.

The Members emphasized the need to explore how the Act could address these issues, and if it is unable to fully resolve them, alternative solutions must be considered.

Currently, the NPPF operates based on an executive order, and the existing pension scheme barely covers medical expenses. If pensioners were provided with adequate pensions, it could cover most social security needs. Furthermore, members stressed the importance of encouraging private companies to establish Provident Funds for their employees, which should be extended to all workers in Bhutan.

The Leader of the Opposition and some Members submitted that the Pension Act should be ready by the next session (the Third Session of the Fourth Parliament). It was also proposed that individuals who are not currently covered by the pension scheme, such as disabled and elderly people, should be included under a universal basic income within the Pension Act. Additionally, concerns were raised regarding the waiting period for a surviving spouse to access pension benefits, which can extend until they reach the age of 50 or 52.

Other Members echoed the need for a Pension Act and stressed the importance of consulting with relevant stakeholders, including the Royal Monetary Authority, Ministry of Finance, and other agencies, to ensure its effective implementation.

The Finance Minister submitted that it would not be possible to have the Act ready by the next session due to the need for consultations with all relevant parties, including National Council Members. However, he assured that efforts would be made to have the Act ready by the Fourth Session of the Fourth Parliament.

The recommendations were then put to a vote, with 39 Yes votes, 3 No, and 2 Abstain, out of 42 members present and voting. The House directed the government to consider the recommendations made and to submit the Act in the Winter Session. The voting list provided in Annexure 3 (21st Day of the 8th Month of the Wood Male Dragon Year corresponding to 21 November 2024)

6.2. Motion on Amendment of Pay Structure Reform Act 2022

The Economic and Finance Committee proposed a motion recommending the government to table the Pay Structure Reform Act of Bhutan 2022 and other related Acts such as Civil Service Reform Act 2022 for comprehensive review and amendment. On behalf of the Economic and Finance Committee, the Member from Monggar Constituency, presented the Motion on Pay Structure Reform Act 2022.

Background

The Member submitted that, the Pay Structure Reform Act of Bhutan 2022, the Pay Revision Act 2023, and the Finance Ministry's notification issued on July 19, 2023, have been found to contain clauses inconsistent with Section 261 of the National Assembly Act 2008 and Section 20 of the Parliamentary Entitlement Act 2008. These inconsistencies affect the entitlements of Parliamentarians. Furthermore, the Finance Ministry's notification is in conflict with Article 20(8) of the Constitution, which prohibits executive actions that alter or override parliamentary laws, rendering such actions unconstitutional.

The implementation of the Pay Structure Reform Act 2022 and the Pay Revision Act 2023 has also created challenges for civil servants, particularly concerning leave policies and allowances, both domestically and abroad. In response, the National Assembly House Committee directed the Economic and Finance Committee (EFC) on October 14, 2024, to conduct an in-depth study and propose a motion for revising the Pay Structure Reform Act 2022 and related laws such as the Civil Service Reform Act 2022.

Issues and Challenges

1. Parliamentary Entitlements

Implementation of parliamentary benefits has been inconsistent with relevant laws, affecting Parliamentarians' rights.

2. Civil Service Challenges

2.1 Leave Encashment and Mandatory Leave:

Before 2022, civil servants could encash unused leave, but the current policy prorates payments and enforces 21 days of mandatory leave annually. This has disrupted essential services in resource-constrained sectors like healthcare.

2.2 Reduced Daily Subsistence Allowance (DSA):

The DSA for officials accompanying the Prime Minister and Ministers and those in equivalent positions has been reduced by 20%, based on the assumption that they receive free food and accommodation while on duty. Additionally, officials and local leaders in gewogs are not eligible for DSA if they do not stay overnight, regardless of the distance traveled.

However, this policy needs reconsideration as it contradicts Article 7, Section 11 of the Constitution of Bhutan, which states, “A Bhutanese citizen shall have the right to equal pay for work of equal value.”

2.3 Removal of Vehicle and Duty-Free Quotas:

The eligibility for a tax-exempt vehicle upon reaching Grade 6 after joining the civil service, along with the welfare program established as part of the Fourth King’s vision for civil servants—previously granted every seven years—has been removed. Additionally, the Duty-Free Card, which was provided to executives, has also been canceled. These changes have significantly impacted civil servants, affecting their benefits and overall welfare.

2.4 Limited Overtime Compensation:

Overtime pay is restricted to civil servants in Grade S5 and below, despite others also working extra hours. Agencies adopting extended work schedules, such as the “9-6-9” model (9 AM–9 PM, six days a week), further strain employees. This violates the Labor and Employment Act 2007, which caps working hours at 8 hours per day and overtime at 12 hours per week.

2.5 Discontinuation of Communication Allowances:

Communication allowances, previously provided to executives and critical personnel, have been discontinued without clear directives. Professions reliant on technology for coordination and information-sharing are disproportionately affected.

3. Challenges for Embassy, Mission, and Consulate (EMC) Staff**3.1 Allowance Reductions Due to Forex Volatility:**

Conversion of foreign service allowances to USD, coupled with fluctuating exchange rates, has reduced salaries. Stronger currencies like the Euro and Swiss Franc have further decreased allowances compared to 2019 levels.

In previous years, foreign affairs entitlements were provided in cash by the respective foreign embassies. However, the 5th Pay Structure Commission has mandated that these entitlements be provided in U.S. dollars across all embassies.

3.2 Obscured Representation Grants:

Representation grants were consolidated into a single block grant, but the 2024-2025 budget obscures the allocation, potentially undermining diplomatic engagement.

3.3 Healthcare Access Issues:

Discontinuation of co-payment systems has made healthcare unaffordable for EMC staff in countries like the USA and Australia, where out-of-pocket expenses can reach 60% of medical costs.

3.4 Discontinuation of Baggage and Vehicle Provisions:

Former allowances for shipping personal effects and vehicles upon transfer have been removed, causing financial strain on staff who must invest in furnishing and transportation at their postings.

4. Recommendations

Given the ambitious goals of the 13th Five-Year Plan and the deteriorating morale among civil servants, urgent action is needed to address these challenges. The committee recommends the government table the Pay Structure Reform Act 2022, along with related legislation such as the Civil Service Reform Act 2022, for a comprehensive review and amendment during the summer session of the National Assembly in 2025.

During the discussions, Finance Minister stated that the motion contradicts the Constitution, as Article 30, Section 2, states “The Pay

Commission shall recommend to the Government revisions in the structure of the salary, allowances, benefits, and other emoluments of the Royal Civil Service, the Judiciary, the members of Parliament and Local Governments, the holders and the members of constitutional offices and all other public servants with due regard to the economy of the Kingdom and other provisions of this Constitution.” grants the Pay Commission exclusive authority to propose changes to pay structures, allowances, benefits, and other emoluments. He further mentioned that the Office of the Attorney General (OAG) deemed the motion illegal, suggesting that judicial opinions might need to be sought.

However, some members of Parliament (MPs) argued that the National Assembly has the authority to amend the Act and even proposed summoning the Attorney General to provide clarification and respond to queries.

Several Members expressed concerns about the ineligibility for Daily Subsistence Allowance (DSA) for travel within the gewog or trips exceeding 10 kilometers when night halts occur at the starting location. The Member from Khamdang-Ramjar highlighted the inadequacy of the 20% DSA for international travel and advocated for its revision. He also stressed the importance of reinstating vehicle quotas.

The Chairperson of the Economic and Finance Committee (EFC), from Bartsham - Shongphu recommended incorporating allowances into the basic pay to enhance pension benefits and streamline the system. He

emphasized that the reforms should aim to restore civil servants' pre-pandemic status to attract and retain skilled personnel.

The Deputy Speaker who presided over the session, suggested that the government review the legal implications. If the matter is a legal issue, laws could be amended, but if it is unconstitutional, the Assembly must accept judicial interpretation.

The Economic and Finance Committee proposed tabling the Pay Structure Reform Act (Amendment) Bill during the National Assembly's summer session next year. The motion was adopted with 32 votes in favor, 7 abstentions, and 2 against. The amendment will be discussed in the upcoming summer session. **(On the 21st Day of the 9th Month of the Wood Male Dragon Year corresponding to 21 November 2024)**

6.3. Motion on Issues faced by Bhutanese contractors and suppliers due to the Procurement Rules and Regulations 2023 and Standard Bidding Documents 2023

The Member from Lamgong-Wangchang constituency highlighted that the government allocated a substantial capital budget for socio-economic development and economic transformation in the 13th Five-Year Plan. However, adherence to the Procurement Rules and Regulations (PRR) 2023, along with the introduction of new guidelines for the Standard Bidding Document (SBD) for works, presents challenges for Bhutanese contractors. To address these challenges, the following 10 recommendations are submitted.

Recommendation

1. **Removal of Dzongkhag-Based Business Requirement:** The restriction requiring that bidders be based and registered within the same Dzongkhag should be removed. This limitation reduces competition and allows only local entities to participate, which can compromise quality and inflate costs.
2. **Establishment of Robust Selection Criteria:** An additional criterion should be introduced to guide the Tender Committee's selection process and ensure fairness. The committee should use records from the BCTA/CDB e-Zotin system, which tracks contractors' performance.
3. **Exclusion of Contractors with Negative Records:** Bidders with a history of work terminations, corruption charges, or ongoing or past litigation in court should be ineligible to bid.
4. **Provide an organized sequence of fixed deposits:** Offer a series of fixed deposits to contractors to enhance fund flow while upholding precision and accountability in managing liabilities.
5. **Transparent sharing of departmental estimates:** Make departmental metrics available to all reviewers to promote fair competition and minimize biased outcomes.
6. **Adjusting Engineering Resource Requirements:** Change resource requirements during project execution, rather than at the bidding stage, to ensure the availability of key staff and equipment for bidders to access the required resources.

7. Enhancing collaborative activities: Foster collaboration and improve project delivery by encouraging the formation of joint ventures between contractors.
8. Integration of e-procurement system: The government's electronic procurement system should be linked with the relevant databases to simplify procurement processes, reduce manual errors, and enhance efficiency.
9. Outsourcing design and experimentation: To enable agency engineers to focus on monitoring and analysis, it is crucial to delegate tasks such as design and measurement to external consultants.
10. Strict implementation of Monitoring Mechanisms: Proposed 10 recommendations to effectively identify errors and defects to maintain project quality in accordance with procurement system

During the discussion on the 10 recommendations, Members emphasized that public sector investment should focus on developing the public sector, while also boosting the private sector. However, contractors have not experienced growth since the onset of the coronavirus pandemic. Moreover, the government has recently been acquiring computers directly from the Department of Procurement and Properties, following a mandate from the procurement agency. This has negatively affected the private sector. The Anti-Corruption Commission's report, however, revealed abuses of power due to the limited and indirect awarding of contracts and recommended that the private sector be allowed to

participate in contract opportunities on an equal footing with public institutions.

Moreover, the changes made by the Ministry of Finance to the Procurement Rules every year presented challenges in enforcement, necessitating adjustments to address these issues. However, rather than frequent modifications, it is essential to make the rules more flexible. Additionally, the lengthy tender period has hindered the progress of development projects in the country. Therefore, it is crucial to shorten the tender period to facilitate timely project implementation..

The tender conditions should be revised, and the practice of blacklisting should be adopted to improve the quality of work by contractors.

The Finance Minister stated that the Ministry has not made any changes to the Procurement Rules and Regulations, although some contractors have raised concerns about the inconvenience caused by these regulations. Consequently, the Ministry has directed the Department of Procurement and Property to revise the rules and plans to incorporate recommendations from the House and relevant stakeholders. The report will be presented in the third session and additionally, the Minister highlighted issues with delayed payments to contractors upon project completion and proposed implementing a Bill discounting system to address this challenge.

Subsequently, the Member from Bartsham-Shongphu expressed concerns about the challenges posed by the existing contract system. He noted that the Procurement Rules and Regulations make it difficult to address contract-related issues effectively and recommended that the government introduce a new procurement Bill. In response, the House supported the proposal raising hand and the Speaker directed the government to take the matter into consideration.

The House unanimously supported and adopted the motion, with all 43 Members present and voting, voting in favor.

The House directed the Ministry of Finance to implement the resolution and to submit a progress report in the next session.

The Voting records are attached in Annexure IV (**On the 28th Day of the 9th Month of the Wood Male Dragon Year corresponding to 28 November 2024**).

6.4. Motion for Government to Amend Sections 19 and 20 of the Property Tax Act of Bhutan 2022 and rectify anomalies surrounding the valuation of Chhuzhing and Kamzhing

The Member from Gangzur-Minje constituency highlighted that the Bhutan Property Tax Act 2022 was enacted during the Eighth Session of the Third Parliament. Within a year of its implementation, property tax revenues have surged, increasing government income from Rs. 60–70 million to Rs. 700 million. However, the enforcement of sections 19 and 20 of the Act has resulted in three specific inconveniences for the public.

1. The current concessions of 90% and 50% provided to Chuzhing and Kamzhing, respectively, do not align with principles of fairness

due to unequal land holdings within these categories, despite both contributing to national food security and self-sufficiency.

2. The land classification system, which categorizes land based on its distance in kilometers from the nearest district, lacks uniformity.
3. Many individuals contributed private land to enable construction of farm roads in the villages. However, for some reason, the portion of land contributed for farm roads were not adjusted in their Thram and because tax is levied based on the acreage reflected in their Lagthram, land owners landed up paying tax for the portion of land contributed for farm roads, unsuitable for cultivation due to human wildlife conflict and natural disaster like flash floods. This also contravenes the principle of fairness as individuals who contribute land for farm roads neither get compensation nor land substitutes.

Recommendations

1. Amend Sections 19 and 20 of the Property Tax Act and allow equal (90%) concessions for Chhuzing and Kamzhing.
2. Explore an alternative method to classify land in Chiwogs to reflect the actual value of the land.
3. Adjust the land holding and consider a portion of all private land contributed for the common purpose of the community from being taxed. Three recommendations have been proposed to issue land titles without delay to verify land ownership. The government should implement these recommendations and modify relevant policies to resolve the issues faced by the public.

During the deliberation on the motion, the Minister for Agriculture and Livestock informed the House that with regard to the First and Second recommendation, a committee of six members, Chaired by the National Land Commission was formed in July and is currently working to resolve the issue.

Regarding the Third recommendation, after concerns were raised by the public during the constituency visit, the Prime Minister acknowledged that it is a national issue. In May of this year, the Prime Minister sent a letter to the Secretary of the National Land Commission. The House was informed that as per the report received from the Land Commission, while they cannot address the issue in all Dzongkhags due to budget constraints, they plan to study and evaluate three Dzongkhags during the first year of the five-year plan and remove all farm roads included in the the personal Thram. The Minister of Finance, also added that with regard to the Third recommendation, work with the National Land Commission of Bhutan has already been initiated. As for the first recommendation, since the issue affects both urban and rural areas equally, a high-level Committee led by the Secretary of the National Land Commission has been established to look into the issue.

He further stated that the Cabinet has approved the Committee's recommendation to reduce the land tax on wetlands in urban areas by 90%, aligning it with the tax rate in rural areas. However, under the Property Tax Act of Bhutan, the Executive Branch does not have the authority to implement this change. To resolve the issue, the Office of the

Attorney General and the High-Level Committee are actively working on a solution.

Regarding the Second recommendation, he noted that while concerns may exist about the PAVA Rate, which has been in effect for only one year, the Cabinet has already issued directives for its revision. Since the Government and the High-Level Committee are still working on the matter, introducing further changes at this stage would be impractical. Therefore, he suggested that Parliament temporarily suspend discussions on this issue.

The Member for Gangzur-Minje Constituency emphasized the need for the Government to expedite the process. The Member also submitted for the reduction of the irrigation tax from 90% to 50% and proposed assessing the impact of this tax reduction on revenue and exploring measures to convert irrigation lands currently taxed at 90% but not used for farming, into productive agricultural land. Additionally, the Member highlighted the costs and benefits of reducing rice production and urged a shift towards wheat and barley cultivation for food security, as advocated by the previous Government.

The House noted that the Government has already established a High-Level Committee, led by the Secretary of the National Land Commission, to address these issues. Therefore, discussing the tax issues raised at this time would not be feasible. However, the House directed the Government to present a progress report on the Committee's work in the third session.

The decision was supported by a majority through a show of hands. (On the 29th Day of the 9th Month of the Wood Male Dragon Year, corresponding to 29 November 2024)

7. Recommendation

7.1. Recommendation on Economic Stimulus Program.

The Chairperson of the Economic and Finance Committee (EFC), Member from Bhartsham-Shongphu Constituency, presented the recommendations of the Committee on the Economic Stimulus Programme (ESP). The presentation was made following a directive from the preliminary meeting held on October 22, 2024, which instructed the EFC to review the implementation of the ESP and propose recommendations for consideration during the 2nd session of Parliament. The Committee's recommendations to the government highlighted key points from their deliberations.

1. Background

The Economic Stimulus Programme (ESP), valued at Nu 15 billion, has been initiated with the support of the Government of India (GoI). The program was officially launched on 19 May 2024, with the objective to accelerate economic recovery through targeted fiscal and monetary measures such as the provision of concessions credit. So far, the Royal Government of Bhutan (RGoB) has received Nu 5 billion from the GoI in two installments - Nu 2.5 billion on 22 May 2024 and another Nu 2.5 billion on 6 September 2024. The Royal Monetary Authority developed

a Guidelines for the implementation of the ESP 2024 credit line for the financial institutions which came into force on 7 August 2024. The ESP was implemented from the month of September 2024. The governance structure consists of a Steering Committee and a Technical Committee responsible for overseeing implementation and providing technical support. The 12th Session of the Fourth Lhengye Zhungtshog held on 4 May 2024 approved the budget allocation for the different programs. The Chairperson reported that the ESP will be provided for the Tourism, Agriculture, Skilling programs and creative industries.

The House was also informed that Nu 5.3 billion has been allocated for concessional credit lines, which will be offered at a concessional interest rate of 4 %. These funds are being managed through seven Participating Financial Institutions (PFIs), namely the Bank of Bhutan (BoB), Bhutan National Bank (BNB), Bhutan Development Bank Limited (BDBL), Druk Punjab National Bank Limited (DPNBL), Tashi Bank Limited (TBL), Royal Insurance Corporation of Bhutan Limited (RICBL), and Bhutan Insurance Limited (BIL).

Status of the disbursements of concessional credit lines (CCL) as of 14 November 2024

Window- I: Concessional loan status

As of 14 November 2024, the seven Participating Financial Institutions (PFIs) have collectively received 1,249 concessional loan applications. Out of these, 158 applications have been approved, representing a

total sanction amount of Nu 96.65 million. Bhutan Development Bank Limited (BDBL) leads in loan approvals, having sanctioned 142 loans out of 1,038 applications received. Other PFIs like the Bank of Bhutan Limited (BOBL) and Royal Insurance Corporation of Bhutan Limited (RICBL) have approved 13 and 2 loans, respectively, while some institutions, such as Druk Punjab National Bank Limited (DPNBL) and Tashi Bank Limited (TBL), have not approved any applications so far.

The concessional loans are distributed across sectors, with agriculture and livestock being the primary focus. Out of 1,047 applications received for this sector, 126 loans were approved, amounting to Nu 60.94 million. The production and manufacturing sector saw significantly fewer applications, with 202 submissions, of which only 32 loans were approved, totaling Nu 35.71 million. This reflects a strong preference for supporting primary agricultural activities under the concessional loan scheme.

Despite the promising approvals in agriculture, the overall approval rate remains low at approximately 12.6%. This indicates potential challenges in meeting eligibility criteria or other institutional constraints. Continued efforts to streamline the application process and align financial products with sectoral needs will be crucial to improving accessibility and impact.

Window-II: Business reinvigoration fund

As of 14 November 2024, a total of 87 applications had been received, out of which 13 were approved, amounting to Nu 87.73 million with a 4% interest subsidy.

2. Objectives :

The objectives of recommendation report on ESP were to:

1. Effectively utilize the ESP in supporting economic recovery within a short period by addressing issues such as access to concessional credit, sectoral exclusion, and operational inefficiencies.
2. Simplify Standard Operating Procedures (SOPs) and foster stronger coordination between key stakeholders, including PFIs, RMA, and the Government.
3. Adopt mechanisms such as subordinate debts and risk-sharing strategies to reduce financial risks for PFIs and beneficiaries.
4. Ensure clarity in communication, reduce technical and administrative barriers, and enhance public awareness of ESP guidelines and benefits.

3. Scope of Engagement

The recommendation report outlines measures to improve the implementation, address challenges, and track the progress of the Economic Stimulus Programme (ESP) to foster economic recovery. It emphasizes the need to strengthen governance by reviewing and enhancing the roles of the Steering Committee, Technical Committee, and ESP Secretariat to ensure effective oversight. Key areas of focus include expediting uniform SOPs across PFIs to eliminate inconsistencies, addressing gaps in critical sectors like hospitality, exports, and mining, and improving proposal evaluation mechanisms for efficiency and fairness. The report also recommends introducing risk-sharing measures such as subordinate debt to reduce financial risks, optimizing concessional credit lines for better accessibility, and enhancing collaboration among

stakeholders to address operational challenges. Additionally, it suggests establishing clear metrics to track progress, such as approval rates and economic impact, and setting fixed timelines for application reviews to boost efficiency.

4. Methodology

The methodology for evaluating and addressing the implementation of the ESP involved a series of structured consultations and meetings with key stakeholders. The first consultation on 18 August 2024 included discussions with the RMA Governor, Cabinet Secretariat, and ESP Secretariat, focusing on governance and implementation structures, thematic fund allocation, and specific initiatives. On 16 October 2024, a follow-up meeting was held with the finance minister and ESP Secretariat to review field-level challenges, streamline SOPs, and discuss progress, including disbursements and proposal approvals.

Lastly, on 22 October 2024, a meeting with CEOs of PFIs reviewed their operational challenges, including issues with documentation, project alignment, and risk mitigation, leading to recommendations for strengthening coordination, simplifying procedures, and adopting risk-sharing mechanisms to enhance ESP's efficacy.

Key issues regarding the implementation of the ESP were gathered from public feedback through social media and face-to-face discussions.

1. Collateral Requirements by PFIs

According to the Royal Monetary Authority (RMA) guidelines for the Economic Stimulus Program (ESP) 2024, loans should be

collateral-free, but may be backed by project assets when applicable (Clause 11.1.2). However, PFIs have been requiring collateral for ESP loans, which contradicts the official guidelines. This has led to the rejection of numerous loan applications, especially from businesses with existing non-performing loans (NPLs), despite their eligibility under the program's terms. This discrepancy in implementation creates confusion and challenges for businesses seeking recovery through the program.

2. Loan Tenure (Window 1 & Window 2)

The loan tenure for Window 1 (concessional) extends up to 10 years, which is suitable for many businesses. However, the loan tenure for Window 2 is only 3 years, which is insufficient for most businesses to recover from the economic impacts of the pandemic and external challenges. The cottage small and industries (CSMI), especially those in NPL or deferment status, would need a loan tenure of at least 6 to 8 years to service the debt effectively. The short 3-year period for Window 2 presents a significant hurdle, as many businesses would struggle to liquidate additional loans within such a tight timeframe.

3. NPL cooling period of 3 months

It was observed that the mandatory cooling period of 3 months for getting the CIB report despite having paid off the loans hinders and adds to the delay in getting the loan.

4. Requirement for submission of proposal

The government has announced that loans up to 1 million do not require a proposal. However, PFIs still seem to be requiring proposals for ESP applications of this amount, particularly at the Dzongkhag level. This added complexity creates unnecessary administrative burdens and delays for businesses, especially smaller ones that may lack the resources or expertise to prepare formal proposals. Streamlining this process in line with government announcements would simplify access to funding, especially for businesses that need smaller amounts of financial support.

5. Approval Delays

The process of submitting ESP loan applications through Dzongkhag offices, which are then forwarded to the head office in Thimphu, causes significant delays in the approval and disbursement of loans. These delays are detrimental to businesses that need immediate access to funds in order to continue operations, recover from setbacks, and capitalize on new opportunities. Timely approval of loan applications is essential to the success of the ESP and the ability of businesses to recover from the financial impacts of the pandemic. In case of CSI bank, applicants/projects size up to 5 lakhs approved by gewog committee, up to 10 lakhs by Dzongkhag committee and over 1 million by HQ backed NCGS.

6. ESP Funding Modality (Window 1 & Window 2)

According to the PFIs checklist, Window 1 provides 90% funding for the total project cost, while Window 2 only covers 75%. Many SMEs, particularly those in NPL status or with cash flow issues, are unable to meet the 25% equity requirement for Window 2. This is a significant barrier for businesses that are struggling to recover. Given the challenges these businesses face, it would be more equitable to apply the 90% funding modality to all applicants, especially those with high potential for recovery but limited equity.

7. Document Checklist Complexity

The document checklist required for loan applications is a bottleneck for many businesses, particularly farmers and smaller enterprises. The high cost of compiling the necessary documents, coupled with the uncertainty of loan approval, discourages businesses from applying for ESP support. A more client-friendly and streamlined checklist similar to the practices followed by CSI Bank would reduce the administrative burden and lower the cost of application, making it easier for businesses to access the support they need.

8. Working Capital Limitations for Medium-Sized Enterprises

Under the current ESP guidelines, medium-sized enterprises are only allowed to access 10 million for working capital. This amount is insufficient for businesses that need to procure raw materials or scale up their operations. The working capital limit should be

reconsidered, with company valuation and the market potential of their products considered for approval, potentially increasing the working capital limit to 20 million for businesses that can demonstrate recovery potential.

9. Service-Based Sectors Facing Severe Setbacks

Service-based sectors, such as e-commerce, waste management, training institutes, day-care services, recycling businesses, manpower agencies, tailor shops, and petty contractors, have been severely affected by the COVID-19 pandemic. These sectors are struggling to survive due to the shortfall in working capital, which has hindered their ability to recover and continue operations. Many businesses in these sectors are urgently seeking ESP loans to survive and continue contributing to the economy. Their inclusion in the program is crucial to ensure that the recovery process is inclusive and reaches all affected sectors.

Committee's Observations & Recommendations

1. Immediate Disbursement of Remaining ESP budget balance 10 billion:

The Committee observed that the Nu. 15 billion ESP was introduced to address the immediate economic decline caused by the COVID-19 pandemic. Activities should be planned, implemented, and monitored promptly by the ESP Secretariat to achieve its objectives within the designated two-year period starting 19 May 2024. However, to date, only Nu. 5 billion (33.33% of the total allocation) has been disbursed in

two tranches of Nu. 2.5 billion each. Unlike other budgeted development plans, the ESP requires swift execution to bridge the economic gap caused by the pandemic and stimulate recovery effectively.

The Committee recommended to address the economic gap created by COVID-19, ESP activities must be executed immediately as planned. Prompt implementation will accelerate economic recovery and fulfill the program's intended objectives. Furthermore, the government should request immediate disbursement of the remaining balance of ESP 10 billion, as tranche-based releases delay implementation and mirror standard development plans, which are ill-suited for addressing urgent economic needs. The ESP should be treated as an exceptional initiative, prioritizing immediate action to restore the country's economy.

2. Focus on High-Return Investments:

The Committee observed that the ESP in few cases were allocated to recurrent expenditures such as capacity building and skills development activities rather than high-return projects, potentially undermining the program's intended impact.

The Committee recommended prioritizing the allocation of ESP funds to projects with clear economic returns rather than recurrent costs, ensuring alignment with the program's objectives.

3. Adopt Risk-Sharing Mechanisms

The Committee observed that the PFIs expressed reluctance to issue concessional credit due to high perceived risks, suggesting the need for mechanisms to mitigate financial exposure, such as subordinate debts.

The Committee recommended introducing subordinate debt options and other risk-sharing tools to reduce financial exposure for PFIs and encourage lending under ESP.

4. Expand Sectoral Coverage:

The Committee observed that the key economic sectors such as hospitality, export, and mining were excluded from the ESP's support framework, potentially limiting the program's contribution to economic recovery.

The Committee recommended to Include high-potential economic sectors such as hospitality, export, and mining under ESP's support framework to drive substantial economic recovery.

5. Standardized SOPs

The Committee observed that the lack of consistent guidelines across PFIs caused confusion in the implementation of the ESP, highlighting the need for uniform SOPs.

The Committee recommended developing and implementing uniform procedural guidelines across PFIs, removing excessive technical clearances, and establishing fixed turnaround times for loan processing to enhance program accessibility and efficiency.

6. Turnaround Time and Documentation:

The Committee observed that the lengthy processing timelines and cumbersome documentation requirements made it difficult for applicants to access loans, reducing the program's efficiency.

The Committee recommended simplifying application processes by reducing documentation requirements and ensuring fixed processing timelines to improve accessibility for applicants.

7. Address NPL and Insolvency Issues

The Committee observed that noting the rising non-performing loans (NPLs) and the associated insolvency risks, the committee highlighted the need for legislative updates, including proposal to a new insolvency law, to address financial challenges effectively.

The Committee recommended expediting the legislative proposal for a new Insolvency Bill to the Government to manage non-performing loans and reduce insolvency risks in ESP-supported projects, ensuring long-term financial sustainability.

In closing, the Chair emphasized that for the ESP to achieve its full potential, the government and PFIs must ensure that the program is implemented in alignment with the RMA guidelines, simplifying processes, ensuring timely approvals, and providing businesses with the support they need to recover from the pandemic. The establishment of an independent ESP office under the PMO or channeling funds through specialized ministries could significantly improve the efficiency, effectiveness, and transparency of the program. By addressing these issues, Bhutan can better support its businesses in overcoming economic setbacks and achieving a sustainable recovery.

The ESP aims to boost Bhutan's economic recovery through strategic funding and concessional credit. However, challenges such as inconsistent SOPs, sectoral exclusions, and loan processing issues have hampered its full effectiveness. The Economic and Finance Committee (EFC) have observed notable duplications with the 13th Five-Year Plan such as capacity building and skills development activities. To enhance ESP's impact, the EFC recommends stronger inter-agency coordination, simplified procedures, sectoral inclusivity, risk-sharing mechanisms, and regular monitoring. These measures are essential for ensuring ESP resources are used efficiently and focused on activities that yield sustainable economic returns, aligning with Bhutan's broader developmental goals.

The Finance Minister informed the House that the Ministry is closely collaborating with the Steering Committee, consisting of seven members, and a Technical Committee to oversee the implementation of the ESP. The program's Nu.15 billion budget, approved by the Lhengye Zhungtshog, includes Nu.3.3 billion allocated for the credit line and Nu.2 billion for the NPL revitalization fund. Officially launched on May 19, 2024, the ESP began implementation on September 2, 2024. To ensure fairness, the program is managed through Commercial and Non-Commercial Financial Institutions, offering a 4% interest rate, while banks are held accountable for NPL recovery. Public concerns were addressed by assigning the BDBL to manage the Nu.3.3 billion credit line through a dedicated implementation window. The Minister also highlighted three key features of the ESP: no collateral requirement, a 4% interest rate,

and share risk by PFIs. He assured that the implementation of the ESP would address many of the committee's recommendations.

Regarding the committee's recommendation for the immediate disbursement of the remaining Nu.10 billion ESP budget, the Minister explained that this would be challenging due to an agreement with the Indian government, which stipulates full disbursement of the Nu.15 billion budget within one & half to 2 years.

The House acknowledged the Ministry's efforts and the measures taken to make the ESP more accessible and emphasized the importance of incorporating the committee's seven recommendations. Collaboration with Local Governments and public awareness was also highlighted as essential. The House endorsed the recommendations, with the majority of Members expressing their support. **(On the 29th Day of the 9th Month of the Wood Male Dragon Year, corresponding to 29 November 2024)**

7.2. Resolution Regarding College of Language and Culture Studies, Taktse

The Chairperson of the Social and Cultural Committee, Member from Kha-toed Laya constituency, presented a recommendation of study and review regarding the College of Language and Culture Studies, Taktse. The Member stated that a study and review of the government's policy to close the College of Language and Culture Studies, Taktse revealed that the college plays a vital role in promoting and developing the national language. Although the college has a capacity of 1,000 students,

starting in 2023, the number of student admissions was reduced despite its available capacity. Currently, the college has only 248 students. In light of this issue, the member voiced public concerns and urged the government and relevant agencies to address the matter.

He also emphasized that as recognized by many, the national language holds great importance for the nation and is enshrined in the Constitution of Bhutan as a key pillar of culture. Furthermore, College of Language and Culture Studies is the sole institution dedicated to preserving and continuing Bhutan's ancient culture. Therefore, the Committee is presenting the following recommendations based on the findings of its study and review.

Committee recommendations:

1. Revise the academic modules, maintain the current status of the College, and establish it as a research center for the Dzongkha language.
2. The need for starting program in Master and Ph.d in Dzongkha language and Culture studies
3. Need for improved co-operation between Royal University of Bhutan and the Ministry of Education and Skills Development
4. The need to standardize the curriculum modules of College of Language and Culture Studies, the Royal Academy of Performing Arts, and the Institute of Science of Mind.

The Member stated that Taktse College of Language and Culture Studies is an essential institution for future generations to study the Dzongkha language and Bhutanese culture. During the preliminary meeting, the Committee was assigned the task of conducting a review. After the Committee's review, it was found that if a decision were made to close Taktse College of Language and Culture Studies, four alternative uses for the college, as proposed by the Ministry of Education and Skills Development and the Royal University of Bhutan, were presented to the House. The Committee requested the House to deliberate on these recommendations and formulate an appropriate resolution. During the deliberation, the Minister of Education and Skills Development acknowledged Taktse College as an important institution for promoting Bhutan's culture and traditions. However, due to low student enrollment, much of the college's infrastructure remains underutilized. The Minister clarified that while the college will not be closed, efforts are underway to downgrade its level. Therefore, the Ministry has decided to repurpose the college and prioritize creating more job opportunities for its students. The Minister also stated that the recommendations made by the Committee were reviewed in consultation with relevant stakeholders.

The Minister for Home Affairs stated that Taktse College will be repurposed rather than closed and assured that there will be coordinated efforts between the Ministry of Home and the Ministry of Education and Skills Development.

In response to the Committee's recommendations, the House voted in favor by a majority. The endorsed recommendations were to be

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submitted to the Ministry of Education and Skills Development and other relevant ministries for follow-up, with the government instructed to take appropriate action. **(On 6th Day of the 10th Month of the Wood Male Dragon Year corresponding to 26 November 2024)**

7.3. Recommendation on Crime Prevention and Reduction to make Bhutan a Safe Society

The Chairperson of Women, Children and Youth Committee (WCYC), Member from Kengkhar -Weringla constituency presented the review report and recommendations of Crime prevention and reduction to make Bhutan a safe society.

The Chairperson reported that the most prevalent crimes in the country are found to be Narcotic Drugs and Psychotropic Substances (NDPS) offences, battery, domestic violence, larceny, burglary, deceptive practice, harassment, and auto stripping, listed in the order of prevalence. The overall crime rate in Bhutan has been increasing, from 3,455 reported cases in 2021 to 4,214 in 2022 and 4,406 in 2023, with 3,139 cases by mid-2024. This rise represents a significant challenge for a traditionally peaceful society, straining resources and pointing to a growing concern about public safety and law enforcement's ability to manage the rise in crime.

The increase in Narcotic Drugs and Psychotropic Substances (NDPS) cases is particularly concerning, with the number of NDPS-related offences growing from 291 in 2021, 761 in 2022 and 1,883 in 2023,

with 1,317 cases reported by mid-2024. This indicates a serious public health and social issue. Specifically, substance abuse, which is the highest among the NDPS offences (with 209 cases in 2021, 604 in 2022, 1,508 in 2023, and 1,112 by mid-2024), is most commonly tied to young people, with a rising number of youth being involved in these crimes, highlighting a growing vulnerability among the younger population.

Youth involvement in crime is a growing concern in Bhutan, with young people representing the largest demographic of offenders. In 2023, 41% of all arrests involved individuals under the age of 24 (i.e., 2524 out of 6,063, with 2,017 between 18-24 years of age and 507 below 17 years), highlighting their vulnerability to criminal behaviour due to social pressures and lack of opportunities. This trend poses long-term societal and economic risks if not addressed. Protecting youth from criminal activity and offering proper guidance and support systems is essential for ensuring the future stability and development of Bhutan.

Domestic violence continues to be a prevalent issue, with 2,507 cases recorded between 2021 and mid-2024. Further, out of the 2,507 cases registered, 1756 cases (70%) were withdrawn. Alcohol is closely linked to increasing crime incidents, as it often plays a significant role in fuelling violent and criminal behaviour. In Bhutan, 1,430 out of 2,507 domestic violence incidents (2021 to mid-2024) involved alcohol.

From the year 2021 to mid-2024, there were 469 sexual offences, including 207 cases of rape of children above 12 years, 60 cases of child

molestation, and 41 cases of statutory rape. Most of the victims were students as per RBP's record. This highlights the vulnerability of young people to sexual violence, pointing to the need for stronger legal and protective measures and social support for children.

357 cases of children in conflict with law were reported from 2021 to mid-2024, indicating that youth, especially in vulnerable environments, may be at risk of both exploitation and criminal behaviour. This signals a need for greater advocacy and education in schools, early intervention programs, stronger protection measures and better support systems for vulnerable children and youth.

The Royal Bhutan Police (RBP), as the law enforcement agency and first responders, is faced with resource constraints including insufficient human resources, equipment, mobility, and infrastructure, which impact its ability to deliver effective services. Evolving crime patterns, technological advancements, and changing societal dynamics also present challenges for the RBP. The need for sufficient budget allocation and resources for crime prevention, as well as the adoption of technology and infrastructure improvements across various areas, was emphasized as a key priority. The overall budget allocation for RBP in the 13th FYP is only Nu. 1,625 million against the proposed Nu.4700 million, out of which only Nu.159 million is earmarked for crime prevention.

Although reform programs exist in prisons and rehabilitation centres, there is a lack of a structured system for post-release monitoring and

social reintegration. Also, there is no proper system of certifying the reskilling programs that they undergo while in custody, thereby impacting their employability and reintegration into society. A post-release support system is particularly needed for children and youth who come into conflict with the law, helping them apply the skills they learned in the centres and supporting their transition into productive, law-abiding citizens.

The provision in the Child Care and Protection Act 2011 for expungement has so far not been enforced and the requirement of cooling period has affected social re-integration and many a times resulted in repeat offenders and recidivism. Moreover, the impact of social media and cybercrime is growing, especially among youth. While social media fosters connectivity, it also exposes individuals to online scams, spread of misinformation, and risks like cyberbullying, harassment, and exploitation, resulting in mental health issues. To mitigate these risks, better monitoring of social media and public spaces is essential.

The Committee submitted the following recommendations to address the issues and work towards crime reduction and prevention:

Committee Recommendation

1. Strengthen the law enforcement agency (RBP): The Committee recommends for review and allocation of adequate budget and resources to the RBP for crime reduction and prevention, surveillance, and safe city solutions using technology and innovation.

2. **Strict alcohol control: Develop a national alcohol policy that involves** multiple stakeholders instead of leaving each ministry or agency to address alcohol-related issues through their own individual policies. Till such time as the national policy is put in place, it is recommended to strictly enforce existing alcohol control policies to help reduce alcohol-related violence:
 - a. The Rules and Regulations for Operation of Restaurant and Retail Wine and Liquor Business 2022 for alcohol sale should be strictly implemented and monitored.
 - b. Sale of alcohol to children under the age of 18 should be strictly monitored and violators should be penalized as per law.
 - c. Regulations on sale of alcohol in prohibited places should be strictly enforced.
 - d. ‘Dry day’ should be enforced strictly.
 - e. The regulation on the issue of bar licenses for the sale of alcohol should be reviewed and revised, to make it more stringent.
3. **Child protection:** With concerning numbers of sexual abuse of children, greater focus is recommended to be placed on protecting children from sexual abuse and exploitation, through both legal measures and social programs to address the root causes of child vulnerability. It is recommended to put in place stricter penalties for sexual abuse of children; parenting guidelines; and legislations for neglect of children, as well as support programs for children in difficult circumstances.

4. Enhance awareness and youth engagement programs: Considering that youth involvement in crime is a growing concern in Bhutan, with young people representing the largest demographic of offenders, it is recommended to:
 - a. Focus on early education and awareness campaigns to reduce the risk of youth becoming involved in crime or being victims of violence.
 - b. Increase advocacy and awareness programs on crime, Substance Use Disorder, Alcohol Use Disorder, violence (including sexual), in the community as well as educational institutions.
 - c. Increase youth engagement programs, provide alternative opportunities, and steer them away from criminal behaviour.
 - d. Deploy an adequate number of trained counsellors in all schools and institutions.

5. Enhance measures to combat domestic violence: Domestic violence is a prevalent crime, with many cases getting withdrawn or even going unreported. Additionally, a significant number of youth and children in difficult circumstances, or those who come into conflict with the law, come from disturbed families. Therefore, the following are recommended to enhance efforts to combat domestic violence:
 - a. Increase awareness and advocacy programs about domestic violence.
 - b. Establish marriage and family counselling services, which are currently lacking. Research indicates that family-based counselling

is crucial in decreasing different forms of violence against women by raising awareness among couples.

- c. Create economic opportunities, as financial pressures are often found to be triggers for couples in rural areas or low-income groups.
6. Enhance access to mental health services: Currently, access to mental health services is quite limited and it is recommended to increase access to such services for all, and even more so for women and children, particularly for those experiencing abuse or trauma, which is essential for addressing the underlying factors that may lead to suicide or other harmful behaviours.
 7. Facilitate reintegration into the society: Social reintegration is crucial and therefore, to facilitate reintegration into the society, the following are recommended:
 - a. Establish a structured system for post-release monitoring and social reintegration for children and youth who come into conflict with the law to support their transition into productive, law-abiding citizens and gainfully apply the skills they learned in the centres.
 - b. The enforcement of the provision on expungement and cooling period may be reviewed, taking into consideration the nature of the crime to give them a second chance at life and rehabilitation, and prevent recidivism.
 - c. Likewise, a proper system should be instituted for proper certification of the reskilling programs that they undergo while in

custody so that they can be employed or start businesses on their own.

8. Enhance collaboration and surveillance: Crime prevention and reduction should be a collaborative effort, and therefore, the coordination among the concerned agencies including local government, civil society organizations and communities should be enhanced. Additionally, surveillance should be enhanced by putting in required infrastructures and equipment to deter criminal activities and increase safety.
9. Assess the need for regulations for monitoring of social media and public spaces: To mitigate the growing impact of social media and cybercrime, especially among youth, and to protect individuals and society from digital threats and related mental health issues, it is recommended to:
 - a. Assess the requirement for regulations for monitoring of social media and public spaces to address risks like online scams, misinformation, cyberbullying, exploitation, and causing mental harm, while ensuring privacy and freedom of expression are respected.
 - b. Enhance awareness and education in educational institutions as well as communities to promote responsible online behaviour and prevent and mitigate the effects of cybercrime and negative social media actions.

The report and all the recommendations were adopted by the House through a show of hands. The Hon'ble Speaker directed the Ministry of Home Affairs to coordinate and collaborate with concerned relevant

agencies for implementation of the Committee's recommendations since multiple agencies have to be involved in doing so. The action taken report should be reported in the summer session. **(5th Day of the 10th Month of the Wood Male Dragon Year corresponding to 6 December, 2024)**

7.4. Resolution regarding the intake of only 20 % of BHSC pass out students by the Royal University of Bhutan

The Chairperson of the Social and Cultural Committee, representing the Khatoed-Laya Constituency, pointed out that only 20% of students who complete grade 12 are admitted to the Royal University of Bhutan, leaving 80% without opportunities for admission.

The committee revealed that the Royal University of Bhutan (RUB) admits only 20% of class 12 graduates into its colleges, leaving 80% without the opportunity to pursue higher education. This has created challenges and tension among the youth. In 2024, only 35% of students, including those on government scholarships and self-funded, were able to continue their studies, while the remaining 65% faced limited alternatives, unable to access higher education.

As a result, the country is facing a shortage of human resources, which is impacting economic growth. The government and the Royal University of Bhutan must expand opportunities for higher education according to the capacity of the colleges. Therefore, the committee recommended that the student intake criteria be reviewed, and the committee chairperson urged the House to support this recommendation.

The Minister of Education and Skills Development clarified that the Royal University of Bhutan (RUB) admits 2,600 students annually, with 11 public colleges and two private colleges in the country. To date, only 35% of students have registered, with 20% receiving government scholarships and 15% securing opportunities through self-funding.

In addition, students are being admitted to TVET programs, and efforts are being made to increase the number of admissions. The current limitations are due to inadequate facilities, with the goal being to improve the quality of education and ensure its sustainability.

Some Members stated that, based on the capacity of colleges, admitting students after completing class XII would benefit those from states with reserved quotas. They argued that obtaining a degree certificate would help youth secure jobs in Bhutan, compete internationally, and enhance their qualifications and skills. Therefore, they emphasized the need to expand college admission opportunities. Due to current government policies, many youth who have completed class XII remain in rural areas, as previously mentioned, yet the government has not yet taken action on this matter.

In 2022 and 2023, due to government policies, Arts students were not admitted to colleges, which negatively impacted those from disadvantaged backgrounds. To address this issue, the government holds the responsibility, and this serves as a reminder. The House would support the recommendation to allocate separate funds for students who

graduated in 2022 and 2023 and were unable to continue their education, allowing them to further their studies.

The House approved a new recommendation submitted by the South-Thimphu Constituency member through a majority show of hands.

The Education Minister stated that RUB is admitting a limited number of students due to insufficient facilities and a focus on enhancing education quality. The Ministry of Education and Skills Development (MoESD) has urged students to prioritize improving their knowledge and skill sets to achieve success. Additionally, under the 13th Five-Year Plan, the Ministry plans to offer skill development programs to youths who have completed Gyelsung Training. Infrastructure for establishing skill development institutes is currently being prepared, and upon completion, the institutes aim to accommodate 60% of the youth.

It also provides access to undergraduate degrees and National Certificate 1, 2 and 3 degrees, and plans to upgrade vocational training centres to university status in the future. Faculties and institutes will be created and operated in consultation with the Royal Universities.

Based on the committee's recommendation, the House of Representatives voted to approve one new recommendation, which was adopted by the members of South Thimphu. In total, including the new recommendation, two recommendations received unanimous support.

The recommendations endorsed by the House are forwarded to the Government. The deliberation concluded with directives from the House to the Government and the MoESD to act on the recommendations and the suggestion and to present a report in the next session. **(On the 6th Day of the 10th Month of the Wood Male Dragon Year corresponding to 6 December, 2024)**

8. Re-Deliberation on Bills

8.1. Cattle Tax Exemption Bill of Bhutan, 2022

The Cattle Tax Exemption Bill 2024 was passed by the National Assembly and forwarded to the National Council on November 26, 2024. After deliberating and reviewing the Bill, the National Council returned it to the National Assembly with recommendations on November 29, 2024. The Economic and Finance Committee reviewed the recommendations, and the Member of the Committee from Radhi-Sakteng Constituency presented the Committee's review in the House. The Committee noted that the recommendations were primarily related to clerical errors, with no major changes to the principles or clauses of the Bill.

The National Council had submitted amendments to the preamble, however, the Committee submitted for the retention of the preamble passed by the National Assembly. Additionally, the Committee recommended replacement of the term “ exemption of cattle from taxation” with “ cattle tax” for clarity in the preamble which state: “WHEREAS the exemption of cattle from taxation is deemed vital to stimulate agriculture growth, enhance livestock productivity, and

improve the livelihoods of farmers and highland communities, thereby contributing to the broader economic and social development of rural areas,”

The Member further clarified that the National Council had submitted clerical amendments to Chapter 1 and in Chapter 2, the the word “as follows” has been deleted after “Cattle Tax”

Further , the Member informed the House that, in the Definition, the minor clerical mistakes were also amended.

The House unanimously endorsed all amendments by a majority show of hands. The Bill will be submitted to His Majesty the Druk Gyalpo for Royal Assent, as per the legislative procedure.

8.2. National Assembly (Amendment) Bill of Bhutan 2024

The Member in Charge of the Bill, Chairperson of the Legislative Committee, Member from the Nyisho-Sepchu constituency submitted the report of the re-deliberation on the National Assembly (Amendment) Bill of Bhutan 2024.

The Member submitted that the Bill was passed by the National Assembly in the First Session of the Fourth Parliament after thorough discussion. It was then submitted to the National Council as per legislative procedure. The National Council after deliberation submitted the revised Bill to the National Assembly for re-deliberation. The Committee then reviewed the amendments made by the National Council.

The Member reported that the National Council had proposed amendments to 34 sections of the Bill. Of these, the Committee accepted 22 sections, repealed 8 sections, and rephrased some words and sentences in the remaining sections. The Member also noted that while the National Council had repealed Sections 299 and 310, the Committee found that the changes were minimal, primarily involving translation differences between English and Dzongkha, and did not merit repeal of the Sections.

The Chairperson also stated that the National Assembly had amended the Bill based on the experiences of the past three governments. However, the National Council had repealed key sections of the Bill, which the Committee did not accept. The Member therefore proposed that the House consider the deliberation of the Bill in a Joint Sitting during the next session.

As submitted by the Member in Charge of the Bill, the Chairperson of the Legislative Committee, Members of the House, through a show of hands, decided to deliberate on the Bill in a Joint Sitting of Parliament during the next session. In accordance with the rules of procedure, a submission will be made to His Majesty for approval of the Joint Sitting. (On the 4th Day of the 10th Month of the Wood Male Dragon Year corresponding to 5 December, 2024)

8.3. Marriage (Amendment) Bill of Bhutan 2024

The Member Incharge of the Bill, Chairperson of the Legislative Committee, from Nyisho-Saephu Constituency, highlighted the absence

of a uniform legal age for marriage in both Dzongkha and English legal frameworks. This inconsistency has resulted in significant challenges for the community and hindered the effective functioning of relevant institutions. To address these issues, the Legislative Committee submitted a specific section of the Bill during the First Session of the National Assembly. The National Assembly approved the proposed section and subsequently forwarded the Bill to the National Council for further review and deliberation. Following its review, the Bill has now been returned to the National Assembly for re-deliberation.

During the Committee's review of the report received from the National Council, it was found that the National Council had submitted additional amendments to the Amendment Bill, beyond those amended by the National Assembly. The Committee noted that while a thorough review of the Marriage Act is essential, there is an urgent need to first harmonize the Dzongkha and English sections of the Marriage Act of 1880, as there are inconsistencies between the two.

The Chairperson submitting amendments were proposed to address the discrepancy in the Marriage Act 1980, which sets the legal age for marriage as 18 for males and 16 for females. Additionally, the legal age of youth is 18 in accordance with international standards. To address this issue and ensure clarity in the Marriage Act, an amendment to one section was proposed. However, the National Council objected that since the Act was amended in 1996, amendment to the Marriage Act 1980 was not required. However, the Marriage (Amendment) Act 1996

does not explicitly include the proposed provision. It was also noted that , the Judiciary 2022, issued a High Court Order which states that by the Royal Government directive and notification the marriageable age for females and males is eighteen years.

Therefore, the Committee moved a motion for a Joint Sitting on the Bill in the next session to deliberate on the amendments. The House through show of hands approved the motion for a Joint Sitting as submitted by the Chairperson of the Legislative Committee. The House decided that it will be submitted to His Majesty the King for Joint Sitting as per legislative procedures. (On the 4th Day of the 10th Month of the Wood Male Dragon Year corresponding to 5 December, 2024).

9. Public Account Committee’s Review Report On Performance Audit Report On The Operations Of State Mining Corporation Limited (2015 -2022)

Royal Kasho on Joint Sitting

The Royal Assent is hereby granted to convene the Joint Sitting of the Parliament on 9th and 10th of December, 2024 to present the Review Report of the Public Accounts Committee on the Performance Audit Report on the Operation of State Mining Corporation Limited. Granted on the 9th Day of 10th Month of Wood Male Dragon Year.

By Warrant Under His Hand

Druk Gyalpo

Upon reading the Royal Kasho by the Secretary General, the Chairperson of the Public Accounts Committee, Eminent Member from National Council, presented the Committee’s Review Report in accordance with Article 25 of Chapter 6 of the Constitution of the Kingdom of Bhutan as follows:

Part I: Review Report of Performance Audit Report; and

Part 2: Follow up on Implementation status of 10th Session Resolutions of the Third Parliament with regard to Performance Audit Reports.

Part One: Review Report of Performance Audit Report on the Operations of State Mining Corporation Limited

1. Background

Following the 45th Lhengye Zhungtshog meeting on August 15, 2014, and the issuance of Executive Order No. MoF/PED/01/2014/1669 on November 20, 2014, the State Mining Corporation Limited (SMCL) was established as a 100% DHI-owned company on December 31, 2014, with an authorized capital of Nu. 1 billion. The establishment of SMCL aimed to ensure sustainable development of the mining sector and its contribution to the national economy, as highlighted in the Hon’ble Prime Minister’s “State of Tsa-wa-sum” report on June 19, 2014.

The core mandate of SMCL is to engage in responsible mining by balancing mineral extraction, utilization, and environmental conservation

while maximizing revenue. Its Articles of Incorporation outline the following responsibilities:

1. Serve as a model in using environmentally sustainable technologies and processes in mining.
2. Boost the mineral sector's contribution to the economy and create employment opportunities for Bhutanese citizens.
3. Act as the designated agency for developing strategic minerals as identified by the Ministry of Energy and Natural Resources.
4. Explore and develop viable mines and minerals.
5. Conduct mining operations for domestic supply and exports, with priority for domestic industries.
6. Undertake these activities independently or through joint ventures.

Since its inception, SMCL has operated various mines and quarries:

- Habrang and Tshophangma coal mines (Samdrupjongkhar) under leases from 2016–2026.
- Dzongthung stone quarry (Trashigang) leased from 2017–2027.
- Khabari Dara stone quarry (Samtse) leased from 2018–2028.
- Khothakpa Gypsum mine (Pemagatshel), initially leased from 2019–2021 and later extended to 2037.
- Chunaikhola Dolomite mine (Samtse), initially leased from 2020–2021 and later extended to 2037.
- Khichangpo and Majuwa coal mines (Samdrupjongkhar) leased for 2020–2023 and 2022–2032, respectively.
- Rishore coal mine (Samdrupjongkhar) leased from 2020–2030.

2. Overall performances of SMCL

To achieve its mandates, SMCL has developed Corporate Strategic Plan 2019-23 and 2022-31 that provide a strategic road map for its overall operation. Likewise, its Annual Compact also provides detailed targets for financial and non-financial performances for different segments of minerals under its operation. The overall performance of SMCL is assessed from the financial, social, environmental and human resource perspectives.

2.1 Financial Performance: SMCL generated Nu. 19.37 billion from 2017 to 2023. Despite some shortfalls in revenue targets for 2020 and 2023, revenue grew by 20.54% in 2023, reaching Nu. 6.46 billion. Profit after tax in 2023 was Nu. 2.27 billion, a sharp increase from Nu. 1.9 billion in 2022. The return on equity improved from 23% in 2017 to nearly 95% in 2023, indicating strong profitability.

Operational Efficiency: SMCL improved efficiency, reducing its operating expenses from Nu. 72 per Nu. 100 of revenue in 2018 to Nu. 47 in 2023. Its contribution to the national exchequer reached Nu. 11.8 billion from 2017 to 2023, with dividends making up 58% of the contribution.

2.2 Social Impact: SMCL engages local communities by hiring machinery and workers. For instance, in 2022, over Nu. 1.01 million was ploughed back into communities through contracts and local hiring. It also supported cultural and religious activities, contributing to Nu. 12.2 million to the national resilience fund.

2.3 Technological and Environmental Measures: SMCL has adopted cost-

efficient technologies, including bigger capacity excavators SK520 and converting diesel machinery to electric, resulting in significant cost savings. It also set up a coal washery plant and introduced compensatory tree planting to mitigate environmental impacts.

2.4 Human Resource Management and Development: SMCL initially started with 15 employees in 2015 and gradually increased to 437 in 2024. By cost centers, the highest number of 210 employees (48 percent) are engaged in CDM. By occupational group, the majority of 107 employees are heavy and light vehicle drivers followed by 62 operators (bulldozer, excavator, pay loader, crushers), 57 attenders to DTH and crushers, 24 security guards, 18 sales assistants, 12 mine supervisors, etc. Besides, there are five mining engineers, one geologist, one survey engineer and so forth.

3. Mineral Segments: The report analyzes key mineral operations:

3.1 Coal: Achieved 89% of its compact production target (2016-2023) with 695,154 MT produced. Challenges include inconsistent coal reserves and high ash content.

3.2 Gypsum: Surpassed production targets with 2,313,377 MT produced from 2019 to 2023. It generated Nu. 1.56 billion in 2023, with a return on investment of 64%.

3.3 Dolomite: Produced 7.55 million MT from 2021 to 2023, with sales contributing significantly to revenue. It generated Nu. 3.95 billion in 2023, with a return on investment of 182%.

3.4 Quartzite: This segment underperformed, achieving only 24% of its production target from 2018 to 2023.

4. Key Observations

From 2020 to 2023, SMCL contributed Nu. 11.1 billion in revenue through taxes, license fees, mineral rents, royalties, and dividends, with dolomite accounting for the largest share at 70.2 percent. Gypsum followed with 20 percent, and coal contributed 10.3 percent. Among these revenue sources, dividends formed the largest share at 57.7%, followed by taxes (27.2%) and royalties (8%).

In terms of production and sales, gypsum surpassed its compact production target by 115%, while coal and dolomite achieved 89 percent and 85 percent, respectively. Gypsum and dolomite performed well in sales, with 98 percent of their total production sold. Gypsum also proved the most cost-efficient, generating five times its costs in revenue, followed by dolomite (three times) and coal (1.5 times). However, mining activities raised environmental and social concerns, including dust pollution, land acquisition issues, and road damage, particularly in areas near Khothakpa and Chunaikhola.

Gypsum exports improved significantly under SMCL from 2019 to 2023, with an average annual export of 393,060 MT, compared to 313,614 MT

before SMCL's management. During this period, 46 percent of gypsum was exported to India at an average price of Nu. 2,445 per metric ton, while the remaining 54 percent was exported to Nepal and Bangladesh at an average price of Nu. 2,291 per metric ton. Similarly, dolomite exports under SMCL (2021–2023) averaged 7.3 million MT annually, with 96 percent exported to India at Nu. 1,204 per metric ton and the remaining 4 percent exported beyond India at Nu. 2,264 per metric ton. These figures represent a significant increase in export volumes and values compared to the pre-SMCL period.

5. Committee's Recommendations

5.1 The Government to carry out comprehensive mapping and prospecting of minerals in the country

Although the mines and mineral sector is considered as one of the main contributors to the national objective of 'Developed Bhutan' by 2034 only 33 percent of the country has been geologically mapped. Therefore, to reap full benefit of the available minerals, the Government is recommended to expedite nationwide mineral resources mapping, exploration and geo-scientific studies for all potential minerals in the country. In doing so, the Department of Geology and Mines (DGM) must be adequately staffed with competent and technical human resources to effectively discharge its functions.

5.2 The Government to expedite construction of Dewathang - Nganglam road

The domestic price of crushed gypsum is Nu. 1,373.07/MT from Khotakpa gypsum mine and Nu. 2,100/MT from Samdrupjongkhar. The

landed price of gypsum at Nanglam is Nu. 2,392.07 in 2023. Likewise, the landed price of SMCL coal at Nanglam is Nu. 6,483/MT and Nu. 7,665/MT in Gomtu (2023).⁹ By distance, it is about 117 kms from Khotakpa to Motanga and another 148 kms from Samdrupjongkhar to Nanglam. If Dewathang – Nanglam road (approx. 64 kms) is connected, it will shorten the distance by about 100 kms¹⁰ thereby, significantly reducing the transportation cost and time, and making domestic cement (both DCCL and PCAL) more competitive.

5.3 The Government to consider railway link to Pugli

Currently, dolomite exports from Bhutan rely heavily on truck and rail transport. In 2023, SMCL dispatched 2,226,438.87 MT of dolomite via rail, Dalgaon railway station, Birpara, ultimately delivering to the Steel Authority of India Ltd. and other major steel plants. Similarly, in 2021 & 2022, a total of 1,683,686.65 MT and 2,264,999.98 MT respectively were sold via rail. The average annual cost for transporting dolomite from SMCL stockyard to Dalgaon rail siding is approximately Nu 373 million (2021-2023) and therefore, railway at Pugli will substantially reduce the transportation cost, ease traffic congestion, theft, and increase volume of export.

5.4 DGM, Ministry of Energy and Natural Resources (MoENR) to limit their scope to overseeing technical feasibility and reserve adequacy in FMFS

The FMFS also contains targets as to how many quantities of minerals a mining company should mine and sell in a year. Given the fact that

prospecting a mineral site and mining business is completely a two different thing and also considering that DGM does not have professional expertise in business strategy and market, it is recommended that the DGM limit its scope to technical feasibilities of the mining site including authenticating the mineral reserves rather than delving into the economic and business feasibility as prescribed in the guidelines and formats of FMFS (Annexure 2 of MMMR 2022).

5.5 MoENR and SMCL to jointly carry out appropriate testing for air, water and dust population and structural and crop damages

Considering the nature of mining activities, localities often allege SMCL for the negative externalities mostly pertaining to noise and dust pollution, drying up of water source, structural and crop damages, etc. Therefore, it is recommended that MoENR and SMCL in close collaboration with the Local Government of the mining area to carry out appropriate testing to validate the alleged effects.

5.6 The Government and SMCL to develop a long-term mining extension plan with a comprehensive land acquisition and resettlement strategy for affected communities

At the current extraction rate of 0.6 million MT per year, the mining of Khothakpa gypsum at the current site is projected to continue for at least 24 more years. However, the actual gypsum deposits in the Khothakpa and Denchi areas are believed to be significantly larger than initially estimated, with experts (from DGM & SMCL) suggesting that mining

could extend for another 40 to 45 years. Despite this long-term outlook, there is currently no buffer zone between the mining area and nearby settlements, and extension of mining areas will certainly affect about 28 households. To address this, the Government and SMCL should put in place a long-term extension plan and comprehensive land acquisition and resettlement options, avoiding the piecemeal land acquisition that creates prolonged uncertainty to the residents.

5.7 SMCL to explore more market and diversify its mineral products

Although there is substantial increase in the profit, tax and dividend through increased efficiency and effectiveness in the operations and management of the company SMCL has not been able to strategize its export, diversify its mineral products and explore markets beyond its traditional boundary. Therefore, SMCL should carry out comprehensive market study, invest in its marketing strategy and diversify business beyond its four mineral segments by exploring high value minerals. Towards this, the Government and DHI must provide adequate support to SMCL.

5.8 SMCL to develop HRD masterplan

In upholding the SMCL's mission to "explore and develop mineral resources in a responsible manner...", human capital is one of the important factors of production. Though the number of employees increased over the years the quality of employees did not. It is observed that SMCL lacks competent human resources in the field of mining, geology, environment and other related fields. It has invested on

average only Nu. 1.3 million per year for training within and outside the country. It is imperative that SMCL develops HRD master plan and invests in HRD to reduce the skill gap, attract and retain skilled and experienced manpower. Towards this, DHI must accord priority and invest accordingly.

5.9 The government to enhance the efficiency of online regulatory portals such as Bhutan Electronic Customs Management System (BECMS), Bhutan TradeFin Net (BTFN), and Bhutan Integrated Revenue Management System (BIRMS)

Currently, the movement of goods and services across the border is hindered by inefficiencies in these online portals. These systems experience frequent server downtime and other internet issues, significantly delaying the clearance and movement of goods. Therefore, it is recommended that the Government enhance the efficiency of these online systems to enable seamless cross-border trade.

During the deliberation, the Speaker reminded the House that deliberation on each recommendation made by the Committee. During the deliberation on the First Recommendation, which called for geological mapping and prospecting of the country's mineral resources, a Member pointed out that the PAC did not report on the losses incurred by PCAL and DCCPL due to differences in the quality and price of the cement produced. Additionally, the Committee did not provide any reports regarding compensation to those residing in the vicinity of mining areas by the mining and quarrying companies. The House also

questioned whether the Committee had examined the reasons behind DCCL's failure to contribute substantial revenue to the government. It was asked whether the issue stemmed from administrative challenges, a lack of skilled human resources, or insufficient expertise.

The Committee clarified that the difference in prices between the three companies arose mainly due to the difference in prices of the coals used for the production of cement. The Committee also clarified that it only investigated the prices of coal supplied by the SMCL to the PCAL and did not study issues concerning profit and revenue of the agencies.

The Committee reported that while data shows the existence of 95 % of Gypsum and Dolomite (proven deposit) there is no data on Coal (infra deposit) which is only in the form of an estimate. There are two types of mining in the country and despite having mines and mineral experts in the country difficulty is presented in the lack of mapping of coals. Additionally, there are also circumstances where advanced drilling machines are not conducive.

The Members also pointed out the Report by the PAC was not inclusive of the 8 Recommendations made by the RAA. They emphasized the importance of discussing these recommendations to prevent the issue from being politicized. The Members also noted that, according to the Report, some companies had already closed while others were nearing closure. They stressed the need for more information on the reasons for these closures and the future plans of the State Mining Corporation Limited.

While mining activities contribute to the country's economy, local communities like Khothakpa and Denchi face significant challenges due to mining. Mining companies should address these issues by providing appropriate compensation, such as land substitution, financial support, or resettlement. The lack of such measures has adversely impacted their livelihoods.

To resolve these challenges, the government should intervene with effective plans and solutions. Additionally, it is crucial for the government to monitor the import of low-quality and counterfeit coal from other countries, which threatens local industries and provide support to the local companies.

Members also pointed out that the substitute land provided to people affected by the dolomite and gypsum mining, located 100-200 meters away from the mining area, was ineffective. They emphasized that if resettlement is to be considered, the government must intervene to ensure that all necessary infrastructure and amenities are established at the new location, so that the livelihoods of the affected people are not compromised.

With regard to land substitutes, some Members pointed out that there are clear rules and regulations pertaining to it. These rules apply not only to those affected by mining activities but also when the government takes over private land for public use. Therefore, it is crucial for the concerned ministries and agencies to take responsibility for adhering

to these regulations and to work closely with the Land Commission to ensure proper implementation.

Further, it was pointed out that while the government is currently working on resolving the issues and resettlement of the public of Khothagpa and Denchi there is the opportunity to expedite the process.

Members also pointed out that although an agreement was signed by the Dzongthung Stone Quarry to repair and maintain the highways of Khamdang, Yalang, and Ramjar damaged by mining activities, there has been no oversight, which has caused inconvenience to the people. The Committee was encouraged to address such matters during public consultations.

In this regard, the Committee clarified that the Company has plans to repair and blacktop the roads and hand it over after the completion of the Project and people affected have been provided land substitute. The Committee pointed out that if such issues exist the concerned gewog and dzongkhag administration are responsible for following up and reporting to the central agency which in turn provides the necessary support.

In addition, some Members highlighted that the trade exchange rate of dolomite with India was 51% in 2017-2018. However, this rate decreased to 27% during the tenure of the State Mining Corporation Limited. Members requested clarification on whether any studies have

been conducted to assess the future prospects of dolomite trade and if any such studies are currently underway.

Furthermore, the Members reminded that the National Council had previously submitted a proposal for the mapping and formulation of clear mining audit rules. To date, only 59% of the work has been completed. The Ministry of Energy and Natural Resources (MoENR) was urged to complete the remaining 41% of the mapping in consultation with the Committee and the Ministry within the 13th Five-Year Plan (FYP).

In response, the Committee stated that with a lower price for the commodity, there is an opportunity to increase the quantity of goods, particularly with regard to dolomite. In addition to direct demand from others, there are multiple other requirements. During consultations with the State Mining Corporation Limited (SMCL), they mentioned their intention to reduce the price. The Committee believes that the current actions taken by SMCL are benefiting the government.

The House then endorsed the First Recommendation made by the Committee and directed the MoENR and the SMCL to complete the mapping of the mines and submit a report in the next session.

During the continuation of the deliberation on the second day, on recommendation 5.2 , Members sought clarification on the date of completion of the Dewathang -Nganglam highway. The Minister for Infrastructure and Transport (MoIT) informed that DANTAK is currently

overseeing the highway projects. The Minister also informed that about 24 kms of road formation cutting from Nanglam to Tshokhorling has been completed and work has been contracted out, and the road is expected to be completed by the end of 2027. The House by show of hands endorsed the recommendation and instructed that the work be completed on time in consultation with the concerned agencies

On recommendation 5.3 regarding the railway link to Pugli, the MoIT Minister informed the House that the proposals for both Pugli and Damdum are under discussion with the Indian government. However, in line with the government policy, the Jigmiling Industrial estate is being moved to Samtse, Damdum and Norbugang which is being prioritized. Accordingly, the railway network has been finalized and the Indian government has handed over the project to the project experts and preliminary works have started. The Minister clarified and assured that while Pugli has not been included at this stage, the government would consider it a priority later.

In response, the Committee stated that regardless of the quality and quantity of dolomite production, if there is no market or trading opportunity, it will continue to remain a problem. With regard to Pugli railway, the government should carry out its works in line with the approved planning instead of deferring the construction of Pugli railway.

Moreover, the decision to defer the Pugli railway project was taken after His Majesty the King held discussion with the Indian Government, and

that the delay in the construction of the Samtse Railway would only be more detrimental than beneficial.

The Members submitted that the construction of railway in Samtse should be carried out as planned since 2012, due to which many industries have been set up in the area. However, they also reminded the government not to forget the construction of the Pugli railway link and leave it behind considering it a commercial hub. The House reminded the government to be accountable and prepared to answer any questions regarding the issue in the future.

During the deliberation on Section 5.4, Members highlighted that, based on the recommendations and annexures of the report, agencies need the capacity to conduct investigations and research when submitting their reports. They also pointed out that if issues arise during hearings that require the imposition of restrictions or limitations, it could lead to inconveniences.

The Committee recommended that the government include reports on mining reserves and trade in its monthly and annual reports. It also advised the Department of Geology and Mines to carry out its work based on these reports. Additionally, the Committee recommended outsourcing the tasks to experts with the necessary expertise.

The government clarified that the relevant Ministry has been overseeing SMCL from the completion of pre-mining studies to the final stages of the studies. While other entities may be responsible for granting

mining permits, they do not take into account the reports from mining companies. Officials from the Ministry and Department have conducted a comprehensive review, and recommendations were made accordingly. To prevent issues related to the lack of profits from coal and gypsum, the government stressed the need for annual monitoring of mining activities, similar to the process of taking a thumbprint, and suggested that providing the exact amount of resources would be beneficial.

During the discussion, a few members sought clarification while preparing the recommendation, whether the committee had considered how the relevant sections of the Mines and Quarrying Act of Bhutan, 1995 could be reconciled. If not, they asked whether the Committee had thought about any potential inconveniences that might arise during the review process after the recommendation was approved by the House.

The Committee and Ministries stated that SMCL, in setting the targets and estimates annually with DHI, suffices the corporate strategic planning alignment metrics of SMCL. Additionally, the limits on production set by FMFS are also addressed, as SMCL falls under DHI's jurisdiction.

The State Mining Corporation Limited is well-equipped to conduct both technical and economic-financial studies, although such practices are not currently in place. If the Government Technical Agency that all technical studies, economic and financial studies and marketing will be done by the Department of Mines, then there is no inconvenient submission to the Committee.

Further, the recommendations made by the Committee are expected to be considered by the Government and if the relevant provisions of the act require action, the Minerals and Minerals Act will be reviewed in accordance with the supplementary provisions.

Since mines and quarries are public property, their business activities and transactions must be closely monitored in accordance with existing rules and regulations. If they are not properly monitored and minerals and quarries are sold solely for profit to traders, their sustainability will be compromised. What could have lasted 20 to 30 years may only last 2 to 3 years, and such risks must be carefully considered.

Additionally, the Department of Geology and Mines stated that if they do not involve and monitor the mining and mineral agencies, problems may arise in the future if the usage of mines and minerals is left unchecked according to the fixed schedule. To prevent such issues, the department emphasized the importance of involving and monitoring agencies in the areas of production, quality, and profitability of mines and minerals.

The House directed the Government to thoroughly review the recommendations, identify ways to facilitate their implementation, and present a report in the next session. The recommendation was subsequently endorsed with majority approval.

While discussing the recommendation 5.5, some Members pointed out that the Mines and Mineral Resources Management Act of 1995 and the

related policy of 2017 clearly state that specific agencies are responsible for mitigating and addressing issues in the community caused by their activities. However, the Committee's report focused only on highlighting community issues without specifying how and to whom compensation should be provided. Due to this lack of clarity, the committee was requested to re-review the Act and policy and incorporate relevant provisions into the recommendation to ensure that affected individuals receive appropriate resolutions.

Some Members stated that the Compliance Audit Report presented by PAC primarily focused on the lack of human resources and issues related to smoke, dust, and damaged roads. However, they had expected the report to address solutions for corruption, fraud, embezzlement, and administrative and commercial issues. Additionally, they emphasized the need for the report to identify accountability, specifying who will be responsible and liable if the relevant Acts, rules, and regulations are not properly reviewed by the concerned sectors.

Furthermore, if the government does not secure community consent and a formal agreement document before commencing any development activities or projects in an area, affected individuals may have the right to file a legal appeal, which could lead to an investigation. In the case of coal and gypsum projects, if the Department of Geology and Mines engages with local communities and local governments from the beginning and ensures that the projects provide benefits to them, it could help mitigate potential issues within the community.

The Committee highlighted that Compliance Audits are categorized into compliance, financial, and performance audits. The report presented in the House fell under the Compliance Audit category. For example, residents of Khothakpa reported concerns about the harmful effects of dust on their crops and health. However, it remains unverified whether these impacts are directly linked to dust from the mining area, as no study has been conducted to date. The responsible agency can only be held accountable for the damage if research-based evidence is available.

Furthermore, existing laws and policies outline procedures for addressing issues in the community arising from such agencies. However, during the committee's review of research conducted by relevant agencies, no documents or evidence supporting these findings were available. It is acknowledged that mining and quarrying activities can have negative impacts, yet no research has been conducted on the matter. Therefore, it was decided to recommend that, with the support of the government, universities, and colleges, an independent study be conducted to assess these impacts.

The Government clarified that the responsibilities of social enterprises should be properly planned, developed, and implemented by companies based on their respective categories. If the existing monitoring system is effectively developed, it can be highly beneficial rather than remaining a mere policy statement, especially when addressing community damages and complaints. Although the Department of Geology and Mines is responsible for obtaining clearances and other regulatory tasks, and

the National Environment Commission is tasked with monitoring their activities, these responsibilities are not being fully carried out due to certain challenges. However, they still remain part of the system.

The Members suggested that research on the impact of the Gypsum company on the community should be conducted by an independent agency to ensure impartiality and avoid any inconvenience.

Furthermore, SMCL has been consistently monitoring measures to minimize pollution from wind, water, dust, and smoke. In cases of rule violations, offenders are required to pay fines. SMCL operates in compliance with its company regulations to oversee environmental and physical health risks, while the Department of Environment and Climate Change, under the Ministry, also carries out monitoring activities.

The Speaker directed the Ministry of Energy and Natural Resources (MoENR), State Mining Corporation Limited (SMCL), and Local Governments (LGs) to determine who would be responsible for conducting research and monitoring the impact of smoke and dust from factories and agencies on nearby residents. They were given the option to carry out the study themselves or engage experts from other institutions. Upon completion, they were instructed to present the report in the next session. The House approved this recommendation by a majority vote.

The sixth and seventh recommendations were approved by a majority vote with no comments from the Members. Additionally, the Speaker

directed the relevant agencies to present a status update on these recommendations, along with recommendation number five, in the next session.

While discussing the Committee's eighth Recommendation, Members emphasized the need for a Human Resource Development Master Plan to enhance efficiency and strengthen the State Mining Corporation Limited (SMCL). Towards this, the Speaker directed Druk Holding and Investments (DHI) to assist in developing the master plan. The Recommendation was approved by a majority vote.

During the discussion on the ninth and final Recommendation, Members highlighted that it aligned with the Third Government's deliberations, where they had inquired about the status of broadband second gateway through Bangladesh. Additionally, with the imminent implementation of the Goods and Services Tax (GST), issues related to BECMS, BTFN, and BIRMS were expected to be addressed. Members further recommended incorporating these concerns into the GST framework to facilitate their resolution.

In response, the Minister of Industry, Commerce, and Employment stated that staff had received training, and the relevant agencies had submitted a comprehensive follow-up report. The recommendation was endorsed by the House through a majority vote.

To address concerns regarding the price and quality of minerals, the Government was instructed to consult with the relevant agencies and

domestic industries at the earliest. Additionally, similar issues were to be reviewed, and strategies proposed to strengthen the protection and competitiveness of Bhutanese industries. These recommendations, put forward by the Deputy Speaker, were unanimously approved by all members present through a majority of them raising their hand.

Subsequently, both follow-up resolutions were adopted by the House through a majority raising their hands in agreement.

The House spent two days discussing the Public Accounts Committee's Review Report, during which the Committee presented nine recommendations, all of which were unanimously approved by all the 66 Members present in the Joint Sitting.

Following the discussion the Speaker declared the Annual Audit Report 2023-2024 as a public document. Subsequently, the PAC was directed to review the Report and submit its Review Report for deliberation in the next session of the Parliament. **(10th Day of the 11th Month of the Wood Male Dragon Year corresponding to 10 December 2024).**

10. Concluding Remarks

The Prime Minister, the Chairperson of the National Council, and the Opposition Leader expressed their gratitude to His Majesty for His Majesty's noble efforts in promoting the well-being of the people and the nation. The verbatim transcription of the speech can be accessed in the verbatim booklet published.

11. Closing Ceremony

The Closing Ceremony of the Second Session of the Fourth Parliament of Bhutan was graced by His Majesty the King. The Speaker delivered the concluding speech. The ceremony concluded with the Members of Parliament offering Zhabten and Tashi Moenlam to His Majesty as a mark of profound respect and gratitude. The Second Session of the Fourth Parliament formally concluded on the 11th Day of the 10th Month of the Wood Male Dragon Year corresponding to December 11, 2024.



Lungten Dorji

Speaker

Question Hour Session**1. Question Hour: Questions relevant to the Ministries in Group A**

The Speaker tabled Four Oral questions directed to the Ministries in Group A for the Question Hour Session.

A- Oral Questions**1. 4P2S/OQ01 Issue Regarding Negative Effects of Social Media**

The Member from the Kengkhar-Weringla constituency stated that social media had increasingly become a platform for bullying, abuse, deception, and misinformation, becoming a major factor contributing to mental health problems and suicide. The Member highlighted statistics showing that in 2023, there were 56 cases of cybercrime and 960 incidents of cyberbullying. The Member questioned the government's plans to regulate and address such issues.

In response, the Minister of Industry, Commerce, and Employment emphasized the need for people to uphold their basic rights and responsibilities when using media. While measures to prevent and control social media threats had not been implemented so far, the ministry committed to working closely with relevant departments, authorities, agencies, corporations, and the police to address and mitigate these threats.

2. 4P2S/OQ02: Issue Regarding Satellite Towns

The Member from the Radhi-Sakteng constituency highlighted that during the second government's tenure, satellite towns were designated

as Yenlag Throms, and infrastructure was developed to support them.

However, these towns had since been neglected, with deteriorating infrastructure, no urban facilities, and a lack of basic services such as drinking water. The Member questioned the plans in place to revitalize the infrastructure of these Throms and reform the tax system moving forward.

In response, the Minister of Infrastructure and Transport informed the House that in 2015, Parliament approved the establishment of Dzongkhag and Yenlag Throms, but implementation had not yet begun. In response to requests from local governments, the Ministry had provided technical support for 11 plans so far. To address the risk of these Throms being abandoned, the government had allocated a budget of Nu. 1 billion under the Government of India-backed PTA project, along with Nu. 67 million from the government's SDP. Additionally, the Cabinet was considering dedicating 10 percent of Dzongkhags' annual budgets to Throms. Regarding the tax system, it was managed by the Ministry of Finance, and there was no additional input on the matter.

3. 4P2S/OQ03 Regarding Civil Servants and Public Servant Leaving Abroad

The Member of Khamdang-Ramjar Constituency pointed out that the attrition of civil servants and public servants, particularly those migrating to Australia, remains high, significantly impacting service delivery in the country. Meanwhile, the National Statistics Bureau has reported a concerning 16.5% youth unemployment rate. Given the limited

employment opportunities within the civil service and corporations, it is crucial to focus on job creation in the private sector. What plans and programs do the ministries have to address these issues?

In response, the Ministry of Industries, Commerce, and Employment reported that, according to records, the economic status is improving, and the overall unemployment rate has decreased to 3.19%. However, the current youth unemployment rate, standing at 16.5%, remains a critical concern.

The increasing migration of Bhutanese citizens abroad is a growing concern. However, the Ministry is in the process of developing policy programs to transform this challenge into an opportunity. While the ratio of unemployed individuals to the total population is currently favorable, projections for the 13th Five-Year Plan indicate that over 75,000 youth will enter the job market as job seekers. To address this, the government is actively working on various strategies aimed at reducing the unemployment rate to 0.25%, as predicted.

4. 4P2S/OQ04 Challenges Related to the base course or stone soling of all farmroads and the blacktopping of all major farm roads leading to the larger Chiwogs

The Member from Tsirang- Toed Constituency asked whether the budget from the SDP project should be utilized for the base course in rural areas and blacktopping of farm roads in larger chiwogs, as promised, or if additional funds would be provided. They also inquired about the government's approach to prioritizing this issue.

In response, the Minister of Infrastructure and Transport stated that although other infrastructure, like drinking water, is also crucial, it would be better for the local government leader and Dzongda to discuss the budget from the SDP project and prioritize road investments. If the SDP project budget is not available for the base course, stone soling, or blacktopping of roads in larger chiwogs, the minister assured that they would find the necessary funds regardless.

Note: The detailed Questions and Answers can be found in the verbatim of the Question Hour Session. **(15th Day of the 9th Month of the Wood Male Dragon Year corresponding to 15 November 2024)**

2. Question Hour Session Relevant to Group B Ministries

The Deputy Speaker tabled Five Oral Questions for the Question Hour Session for Group B Ministries.

A- Oral Questions

1. 4P2S/OQ05 Question related to Agriculture Machineries

The Member from Lamgong-Wangchang constituency raised public concerns about delays in paddy harvesting caused by frequent breakdowns and a shortage of aging combine harvesters. He noted that while the government allocated a budget to the Farm Machinery Corporation Limited (FMCL), delays in disbursing the funds to FMCL resulted in missed opportunities for the public to purchase and utilize machinery. Additionally, he pointed out that the machinery currently available at FMCL is outdated and questioned the government's plans to provide these machines at subsidized rates to support farmers.

In response to the question, the Minister of Agriculture and Livestock acknowledged the high demand for paddy harvester machinery in the country. He stated that out of the 24 paddy harvesters currently available, most are in poor condition or damaged. These machines have been used to harvest 875 acres of paddy fields in Paro. The Minister also admitted that, due to the high cost of such machinery, providing services through the Farm Machinery Corporation Limited (FMCL) is expensive, particularly because most of the equipment is old and requires maintenance.

He stated that the plan to share the cost of agricultural machinery equally between farmers and the government is a good recommendation. The government will assess its feasibility and take necessary steps to implement it. Additionally, he mentioned that the Prime Minister has discussed the procurement of agricultural machinery with the government of Japan and expressed hope for a positive outcome from these talks.

2. 4P2S/OQ06 Questions regarding the establishment of private health services in the country

The Member from South- Thimphu constituency questioned how the government will facilitate and support the establishment of private healthcare services. The inquiry highlighted that some Bhutanese seek treatment at private clinics within the country, while others travel abroad due to long waiting times at the Jigme Dorji Wangchuk National Referral Hospital in Thimphu.

In response, the Minister of Health affirmed that the government remains committed to providing free healthcare as mandated by the Constitution. The 2011 health policy allowed for private sector participation through foreign investments, aligned with the country's laws and regulations. By 2012, 11 health laboratories were licensed and operational; however, they were forced to close in 2018 due to regulatory uncertainties.

However, the Ministry intends to proceed once the rules and regulations for healthcare services are finalized, standard quality assurance guidelines are developed and submitted, and an implementation plan is prepared.

3. 4P2S/OQ07 Need to construct cold storage and Warehouse

The Member of the Tsirangtoed-Sergithang constituency stated that the people of Tsirang rely on agriculture for their livelihood where they face challenges, such as difficulties in selling their vegetables; fruits. The Member inquired about the Government's plans to construct warehouses and cold storage facilities in the area. Additionally, the Member suggested that the Government should facilitate the purchase of piglets for individuals focusing on pig farming.

In response, the Minister of Agriculture and Livestock stated that the Government aims to increase revenue to 6 billion Ngultrum through the export of agricultural and livestock products. To achieve this, the Government plans to prioritize the construction of warehouses and cold storage facilities in the Dzongkhags under the 13th Five-Year Plan.

Currently, warehouses and cold storage facilities have been constructed in Paro, Zhemgang, Phuntsholing, and Samdrupjongkhar. However, the Government is facing significant budget constraints and challenges in the utilization of these facilities after their construction.

In the case of Tsirang, warehouses and cold storage facilities were not constructed because agricultural products from the region can be transported to Thimphu within a day. Additionally, there is potential for farmers in Tsirang to utilize nearby warehouses and cold storage facilities that are currently underutilized. Members are urged to convey this information to the people.

4. 4 P2S/OQ08 Regarding the construction of 20 bed Hospital in Nganglam

The Member of Nganglam Constituency submitted that the construction of a 20-bed hospital in Nanglam would greatly benefit the neighboring residents. While the groundbreaking ceremony for the hospital took place during the tenure of the Third Government, the project was postponed to the 13th Five-Year Plan due to the conclusion of the Third Government's term. The current Government has allocated funds for the project in the 13th Plan with financial assistance from the Indian Government. However, there has been no follow-up on the schedule for the project's plans and programs.

It was reported that there was a disagreement regarding the location of the hospital, with options being Thimphu and Nganglam. The Member

urged the Government to consider building the hospital in Nganglam and requested an update on the current status of the project.

In response, the Minister of Health reported on the analysis of 10-bed hospitals, noting that the construction of the hospital has been temporarily suspended to ensure equitable distribution of health funds. However, research is underway to explore viable solutions. Currently, the Nanglam Hospital is staffed with a doctor, a health professional, two health workers, and 13 nurses, along with adequate technical expertise to address temporary challenges.

5. 4P2S/OQ09 Whether there is Special Support or not for those who rely on yaks for their livelihood

The Member from Bji-Kartsho-Uesu highlighted the challenges faced by highlanders living in border areas, noting their significant role in conserving the declining yak population, which benefits the country. The member then inquired if the Ministry has any special plans to support highlanders who depend on yaks for their livelihood.

In response, the Minister of Agriculture and Livestock mentioned that the ministry plans to continue supplying semen to the highlanders as part of the 13th FYP. A budget of Nu. 20 million has been allocated to support the semen processing lab. Additionally, to enhance the quality of injections for yaks, Nu. 15 million has been allocated in the 13th FYP.

A budget of Nu. 30 million has been allocated to provide milking and churning facilities, as well as tents, for those who depend on yaks for

their livelihood. Additionally, a cooperative has been set up to support business activities, and the Bhutan Yak Federation and other cooperatives have been established to serve the highlanders. Another Nu. 30 million has also been allocated to revive and manage the pastures, with the aim of benefiting the community.

3. Question Hour: Questions relevant to Group C Ministries

The question hour began with a reminder from the Deputy Speaker that they will get 3 minutes to ask questions and 7 minutes to respond to these questions.

A. Oral Questions

1. 4P2S/OQ10 Regarding Rural Life Insurance

The Member of the Kengkhar Weringla Constituency followed up on the Government's pledge to increase rural life insurance coverage from Nu. 30,000 to Nu. 150,000, a question initially raised during the First Session. At that time, the Finance Minister had stated that research was ongoing to assess the feasibility of this increase based on the country's economic status. What is the current status of this research, and has the Government confirmed plans to raise the rural life insurance coverage? In response, the Finance Minister acknowledged the importance of rural life insurance. However, the proposed increase has not been possible due to the country's ongoing economic instability. During the Government's assessment, it was noted that there are currently two insurance agencies operating, but the Financial Services Act permits only one agency to provide insurance services, which contradicts the Constitution. To

address this issue, the Royal Monetary Authority should propose an amendment to the Financial Services Act during the Third Summer Session.

The Rural Life Insurance program costs billions, and it has been requested that equal opportunities be provided to both insurance agencies. To do this, it is essential to first address the legal inconsistencies and we hope to initiate it soon.

2. 4P2S/OQ11 Question about building resilience in disaster management.

The member from the Radhi-Sakteng constituency pointed out that earthquakes are among the major hazards in Bhutan. Referring to research and report, a magnitude 8 earthquake in the 18th century that caused extensive damage. The member asked whether the Ministry of Home Affairs has initiated efforts to educate the public on risk reduction and preparedness measures for potential major earthquakes.

The Home Minister responded that His Majesty the King has recognized earthquakes as a significant disaster and issued directives accordingly. In line with these directives, the government has established the Disaster Management Authority, the National Disaster Response Coordination Centre (NDRC), and the National Emergency Operation Centre.

A contingency plan is under preparation and will soon be submitted to the Cabinet for approval. The establishment of the National Emergency Operations Center, built to international standards, is expected to

strengthen earthquake response capabilities. Furthermore, the Ministry has trained 24 Thromde representatives in disaster management, and around 400 individuals are currently undergoing search and rescue training in TashiGatsel, Chukha Dzongkhag, to assist the public during natural disasters and emergencies.

3. 4P2S/OQ12 Question Regarding the Status of Funds received from the GoI and other Development Partners

The Member of the Bartsham-Shongphu Constituency emphasized the importance of understanding the status of funds received from the Government of India (GoI) and other development partners. He posed the following questions:

1. How many PTA projects have been approved by the government so far, and how much PTA grant has been received from the GoI?
2. How much SDP grant has been received, how is it allocated, and what is the readiness status of the projects?
3. What is the process for receiving funds from the World Bank, the Asian Development Bank, and other development partners, and how are the projects being approved?

The Minister of Finance responded by stating that the Government of India (GoI) has granted a PTA grant of Nu. 70 billion, with 61 projects approved so far. Of the approved amount of Nu. 49,578.75 billion, Nu. 1,796.46 billion has been received to date. Additionally, from the Program Grant of Nu. 5 billion, Nu. 250 million has been received so far.

The Minister further stated that out of the GoI's SDP grant of Nu. 10 billion, a request was made to approve Nu. 4.2 billion for the financial years 2024-2025 and 2026. Additionally, as of October this year, Nu. 2,186.44 million has been received from other countries and development partners. For 2024 and 2025, external grants from the GoI and other countries total Nu. 16,522.00 million, of which Nu. 4,233.00 million, or 25.6%, has been received.

4. 4P2S/OQ13 Regarding payment of toll charges for traveling through India

The Member of the Nganglam Constituency stated that Bhutanese traveling from Phuntsholing to Nganglam and Samdrup Jongkhar through the Indian border are required to pay toll charges, often leading to difficulties in payment. Additionally, those who pay in Ngultrum are charged double the amount. What are the Government's short-term and long-term plans and strategies to address these issue

In response, the Minister of Foreign and External Trade stated that the Ministry had consulted the relevant agencies and informed the Bhutanese Ambassador in Delhi. According to their current system, the restriction is not limited to Bhutanese vehicles, as vehicles from other countries are also not accepted. For Indian vehicles, owners must provide an Indian SIM card, bank account, and citizenship identity card. If these requirements are met, the vehicles can be registered. The Ministry will submit details of Bhutanese vehicles and accordingly request the necessary permits.

5. 4P2S/OQ14 Question regarding a tax reduction for drylands, similar to wetlands.

The Member from the Bji-Karstho-Uesu constituency pointed out that under the Land Act of 2007, land registered as wetland is eligible for a 90% tax concession, while dryland owners only receive a 50% reduction. According to the Act, citizens living in high-altitude areas are supposed to receive the same tax concession as wetland. The member inquired about the reason why Haa Dzongkhag did not receive the 90% tax concession.

In response, the Minister of Finance explained that under the rules of the Property Tax Act of Bhutan, Dzongkhags are responsible for identifying and granting a concession amounting to 90% of the land tax payable by highlanders. The Department of Customs and Revenue has issued letters to all Dzongkhags and held consultations, revealing that highlanders are not only present in Haa Dzongkhag but also in 10 other Dzongkhags. This initiative aims to support nomadic communities and is guided by the system established by Dzongkhags, which determines whether specific lands qualify as highland areas.

6. 4P2S/OQ15 Question regarding the increase in Loan-to-Value (LTV) and the reduction of interest rates

The Member from the Nanong-Shumar constituency referred to the question raised during the first session regarding the government's commitment to increase the Loan-to-Value (LTV) mortgage ratio to 95%, reduce interest rates to 4%, and raise the Debt-to-Equity ratio

for vehicle purchases (such as taxis and trucks) to 80%. The Finance Minister had previously stated that the government is working on regulations to raise the loan ratio to 95% and reduce the interest rate to 4%. In addition, consultations are ongoing with the Royal Monetary Authority to increase the loan ratio to 80% for vehicle purchases. The member requested an update on the progress of these discussions and the development of the guidelines mentioned by the Minister during the first session. The member also inquired about the expected timeline for the implementation of these measures.

In response, the Finance Minister explained that, as per the government's commitment, 90% of the cost for building a residential house will be covered by a loan if the total budget is 100%. Negotiations are ongoing to secure funds from the economic stimulus grant. However, due to limited funds, not everyone can receive the loan. The government is consulting with financial authorities and banks, and the timeline for this initiative will be shared soon.

The government has committed to providing 80% of vehicle loans; however, due to the large number of vehicle importers, this cannot be implemented at present. It will be rolled out later, depending on feasibility.

Note: The detailed Question and Answer can be accessed from the verbatim of the Question Hour Session. (26th Day of the 9th Month of the Wood Male Dragon Year corresponding to 26 November 2024)

4. Question Hour: Questions relevant Group A Ministries

The Speaker informed the House that the Question Hour was originally scheduled for Tuesday but could not be conducted due to technical issues. The session commenced with the Speaker announcing that there were five oral questions and three written questions. The Speaker also reminded the House to ensure that questions are asked and answered in a timely manner.

A. Oral Questions**1. 4P2S/OQ16 Regarding Urban Development Activities**

The Member of the Kilkhorthang-Mendrelgang Constituency highlighted that constructing houses and engaging in trade is not permitted within Local Area Plan Map 1 of Tsirang Thromde. Additionally, the construction of buildings taller than three stories is restricted in the town's core area, limiting the development of larger establishments such as three-star and five-star hotels. Who is responsible for preparing Local Area Plans (LAPs) and other urban development plans—is it the local government or the central authority? Furthermore, when will it be possible to develop plans for Damphu Town?

In response, the Minister of Infrastructure and Transport explained that although the Local Government Act assigns the responsibility for town development to the local government, there is a lack of skilled personnel. Consequently, at the request of the local government, the ministry provides assistance.

Moreover, Local Area Plans are developed in consultation with the community. Regarding the number of stories, it is not a matter of approval or denial; rather, it depends on the existing local area design.

2. 4P2S/OQ17 Inquiry about the current status of the data charge reduction.

The Member of Khar-Yurung Constituency has requested an update on a question raised during the First Session of the Fourth Parliament regarding the government's pledge to reduce telecom data charges by 50% or align them with India's rates to enhance affordability, particularly for rural and low-income groups. In response to the initial inquiry, His Excellency the Prime Minister stated that the government would engage with telecom service providers and, if no agreement could be reached, consider introducing a third network provider.

3. 4P2S/OQ18 Inquiry about the reduction of internet data charges

The Member of Sergithang-Tsirang-Toed Constituency inquired about the progress of efforts to reduce internet costs, highlighting that Bhutan has the highest internet data costs among regional countries. In a previous session, the Prime Minister had also indicated that internet charges would be reduced.

In response, the Minister of Industry, Commerce, and Employment explained that, as presented during the first session on internet cost reduction in the Question Hour, the Prime Minister had issued an executive order to reduce internet charges. The order involved the Bhutan Government Technology Corporation (GovTech) and the

Bhutan Information and Communications Authority (BICMA), who collaborated with relevant technology companies, telecommunications, and internet service providers to hold a consultation meeting on lowering internet and data prices, which occurred in July. The reports, due to be submitted to the government in August, were delivered to the Cabinet on time.

The Cabinet has established a committee to conduct a review, and based on the findings and the government's priority to reduce internet data charges, it has been determined that a 50% reduction is feasible.

4. 4P2S/OQ19 Regarding increasing number of vehicles

The Member of the Geleghphu constituency highlighted that, as of October 2024, more than 128,000 vehicles were registered in the country. This marks an increase of over 54 percent, with most of the vehicles concentrated in the capital city, Thimphu. In the future, challenges may arise as these vehicles may not be accommodated due to limited road networks and parking spaces. What plans and strategies does the Ministry have to address these issues?

In response, the Minister of Infrastructure and Transport stated that the government shares concerns regarding the issue. The Ministry has submitted a report to the Cabinet, following the directives of the Prime Minister. One of the key strategies to reduce the number of vehicles is improving public transport services, a priority the government is actively working on. Additionally, measures are being taken to import 40 electric

public transport vehicles. A dedicated lane will be established, starting from Thimphu Ngabephu, covering a distance of 16 kilometers. Plans are also underway to construct parking spaces specifically for public transport vehicles.

Moreover, one of the issues contributing to the inability to accommodate vehicles stems from roundabouts. The Ministry plans to consult with the traffic police to address these concerns. **(29th Day of the 9th Month of the Wood Male Dragon Year, corresponding to November 26, 2024)**

5. 4P2S/OQ20 Concerning the inability to obtain a construction permit from the Gewog Administration as was previously allowed

The Member of the Lamgong-Wangchang Constituency highlighted that, in the past, permits for constructing houses in rural areas were issued by the Gewog Administration. However, more recently, the Ministry has directed the Dzongkhag to issue these permits in accordance with Bhutan Building Regulations. This change has caused inconvenience, and the Member inquired whether it would be possible to revert to the Gewog Administration issuing permits for rural house construction.

According to the Bhutan Building Regulations, houses in rural areas and Gewog towns should not exceed three stories. However, inconsistencies have been observed, with some areas permitting construction beyond three stories while others do not. What plans and programs does the Ministry have to ensure uniform enforcement of this regulation?

In response, the Minister of Infrastructure and Transport clarified that, under the Bhutan Building Regulations 2023, the authority to issue permits for house construction rests with the Dzongkhag. This decision was not due to the Gewog lacking capacity but rather because insufficient information often leads to inconveniences after the permit is issued. Hence, the responsibility was assigned to the Dzongkhag.

However, the Ministry plans to soon develop a Construction Approval System (CAS), enabling the issuance of house construction permits online once the system is implemented. Additionally, the Ministry is committed to ensuring uniformity in attic designs in accordance with the Bhutan Building Regulations 2023.

5. Question Hour: Questions relevant Group B Ministries

The Speaker tabled five oral questions and two written Questions for the Question Hour Session today.

A. Oral Questions

1. 4P2S/OQ21 Questions related to the rationalization of schools and the establishment of model schools

The Member from the Dewathang-Gomdar constituency questioned the government's approach, pointing out a contradiction between its pledge to establish central schools and its plans to rationalize schools. The member also inquired about the status of the government's promise to establish central and chiwog schools with all facilities provided free of charge.

In response, the Minister of Education and Skill Development explained that one of the main objectives of the 13th Plan is to expand education across all 20 dzongkhags, 205 gewogs, and 1,044 chiwogs. To provide quality education, central schools will be established in every gewog and chiwog. Furthermore, there are plans to upgrade existing infrastructure, install necessary facilities, and improve the current 63 central schools.

The commitment to establish Chiwog schools is intended to provide education to remote areas. As for the rationalization of schools, it will proceed in alignment with the Ministry's plans and research. Detailed responses were provided, including the list of central schools and Early Childhood Care and Development Centers in the chiwogs.

2. P2S/OQ22 Issues regarding shortage of teachers in primary school

The Member of Khamdang-Ramjar Constituency highlighted the persistent teacher shortages in primary schools across the country. In rural areas, teachers are required to handle approximately 34 teaching periods per week. Furthermore, individuals aspiring to join teacher training programs must enroll as self-funded candidates to complete their undergraduate degrees. In this context, what are the Ministry of Education and Skill Development's concerns regarding the foundational quality of education? What plans are in place to address teacher shortages in rural schools and retain teachers as regular staff? Additionally, instead of recruiting teachers from neighboring countries, could the government consider appointing self-funding teacher trainees as regular contract

teachers? What specific measures does the government intend to implement to resolve these issues?

The Minister of Education and Skill Development stated that the Ministry has streamlined training opportunities and improved infrastructure to enhance teacher quality. To address the teacher shortage, the dzongkhag administration has been given authority over teacher transfers and the recruitment of subject-specific contract teachers. Graduates from Samtse and Paro colleges are being deployed to remote schools. Additionally, the Performance Evaluation Moderation Exercise is being developed to motivate teachers, with special exemptions provided for them.

The Minister also mentioned that, in consultation with the Royal Civil Service Commission, the feasibility of regularizing contract teachers will be assessed. The Minister further reported that most teachers recruited from neighboring countries specialize in science, technology, engineering, and mathematics (STEM) subjects.

3. 4P2S/OQ23 Issues regarding the heavy workload faced by some staff in boarding schools

The Member of Bumdeling-Jamkhar Constituency highlighted that in schools with fewer than 80 students and fewer than 100 employees, only one cook is typically employed, requiring staff to work 15 to 16 hours a day performing various tasks. The Member emphasized the need for the government to ensure that these employees receive equal salaries during summer and winter holidays, similar to other teachers, and to

make them permanent employees so they can access benefits such as housing, insurance, pensions, and other entitlements.

In response, the Minister of Education and Skills Development stated that previously, schools with fewer than 80 students were allocated only one cook. However, this has been revised, and now two cooks are employed in schools that provide three meals a day. The Minister clarified that the Royal Civil Service Commission does not allow cooks to receive salaries during school holidays, but they are entitled to 24 days of annual leave.

In consultation with the Royal Civil Service Commission, it was decided to transition ESP and GSP staff to para-regular employee status, providing them with salary increases, insurance coverage, pension plans, and retirement benefits.

4. 4P2S/OQ24 Question regarding the wildlife Conflict

The Member from Gelephu Constituency highlighted that one of the biggest challenges faced by the people in the south is the recurring issue of wildlife, particularly elephants, damaging crops every year. This not only affects farmers' livelihoods but also poses a significant risk to human lives. The member inquired about the strategies and plans the government has devised to address these issues effectively.

The Minister of Agriculture and Livestock responded that more than Nu. 5 billion has been earmarked in the 13th Five-Year Plan (FYP) to

address wildlife conflict issues. He further noted that Nu. 637.5 million has been allocated for the current financial year, which will support the installation of chain-link fencing across 408 kilometers, covering 15,500 acres and benefiting around 4,800 households.

However, this solution alone will not address all wildlife issues in the area, and there are plans to implement additional measures based on the specific needs of each location. To provide an update on the progress, the government has initiated the procurement of chain-link fencing through a tender process.

5. 4P2S/OQ25 Subsidy for seeds and saplings

The Member from Wamrong Constituency pointed out that the government had pledged to provide free seeds and saplings to farmers to boost their income. Previously, the cost-sharing arrangement involved the government covering 80% of the costs, with farmers contributing 20%. However, the Ministry of Finance recently announced a revised model, with the government bearing 40% and farmers covering 60%. The member requested clarification on the cost-sharing policy and urged the government to either honor its original pledge or revert to the former system.

In response, the Minister of Agriculture and Livestock explained that if agricultural equipment is provided by the gewogs, the government will bear 40% of the costs, with farmers covering the remaining 60%. As for machinery, the cost-sharing follows the system established in 2019, which involves an equal split between the government and the farmers.

The government offers new seed varieties free of charge, while other seeds are sometimes provided under a cost-sharing arrangement, with the government covering 80% and farmers contributing 20%. This approach is designed to encourage and support farmers.

The minister explained that a key initiative in the 13th Five-Year Plan (FYP) involves potato seeds. However, many farmers are hesitant to utilize the seeds provided by the government, as they already have their own stock. To address this issue, the government intends to shoulder a larger portion of the costs, easing the financial burden on farmers.

(4th Day of the 10th Month of the Wood Male Dragon Year corresponding to 05 December 2024)

6. Question Hour: Questions relevant Group C Ministries

The Speaker tabled Three Oral Question for the Question Hour session for the relevant ministries in Group C.

A. Oral Questions

1. 4P2S/OQ26 Decentralization of development approach

The Member from the Monggar Constituency emphasized that community development relies on the concept of decentralization, aimed at bringing decision-making for sustainable socio-economic development closer to local communities. In line with the decentralization policy, he inquired about how the government allocates budgets and ensures their effective utilization.

The Member inquired about the government's plans to achieve effective decentralization and its efforts to enhance capital and human resources in local governments. He also questioned the plans to grant autonomy in management, planning activities, and fund utilization. Additionally, he sought clarification on the government's intentions following a review of the acts, rules, regulations, and policies related to local governments to further strengthen decentralization and empower local authorities.

The Prime Minister responded by noting that His Majesty the Fourth King had already decentralized power with the establishment of the Dzongkhag Yargay Tshogdu in 1981 and the Gewog Yargay Tshogchung in 1991. He emphasized that the government continues to build on this foundation, underscoring the importance of the democratic system.

In the 11th Plan, budgets were allocated to gewogs to strengthen local governments, supported by a separate system known as the Gewog Grant Fund. During the 12th Five-Year Plan (FYP), the Gewog Grant and Gewog Budget were merged into a unified Annual Grant.

Henceforth, all activities and plans will adhere to the Local Government Act. In the 12th Plan, annual grant allocations shifted from the traditional budget system to being based on the priorities and specific needs of local governments. This approach, he affirmed, will remain unchanged. Notably, only local governments receive annual grants, while ministries, departments, institutions, and offices are excluded from this provision.

The number of projects under local government has increased and all 205 Gewogs now equipped with community service centers to strengthen local governance. Currently, there are 182 service providers, with additional recruitments underway.

A total of Rs. 600 million has been allocated to enhance community centers and in the 13th Five-Year Plan, the local government will independently verify its plans without the government's interference. Recently, gups were briefed on national priorities and received clarity on matters concerning the capital budget and human resource allocations.

2. 4P2S/OQ27 Question on Gross National Happiness

The Member from Khamdang-Ramjar Constituency stated that since the profound development philosophy of Gross National Happiness (GNH) was coined by His Majesty the Fourth King in the 1970s, the nation's development has been guided by this concept, anchored on four key pillars. The establishment of the Planning Commission based on this philosophy marked the beginning of rapid progress in peace, prosperity, education, and economic development across the country. Following the establishment of the Constitutional Democratic Monarchy in 2008, the commission was renamed the Gross National Happiness Commission, further strengthening developmental initiatives.

During the country's transformation, the GNH Commission was dissolved and integrated into the Prime Minister's Office, raising concerns about the achievement of development objectives. Questions were raised

regarding the current guiding principles of development, whether the concept of Gross National Happiness (GNH) is still being pursued with dedication, and whether the policy tools of the former GNH Commission are being applied to guide development. Additionally, inquiries were made about plans to ensure that institutions like the Centre for Bhutan and GNH Studies remain relevant and effective.

The Prime Minister stated that the Gross National Happiness Economy is an ideology inspired by the vision of His Majesty the Fourth King of Bhutan. This philosophy, widely embraced globally, emphasizes not just economic development but also the well-being and happiness of the people. Notably, Bhutan has achieved remarkable milestones under this framework, including a youth literacy rate of 99% and an increase in life expectancy from 40 to 72 years.

The government has placed great emphasis on Gross National Happiness (GNH). After the dissolution of the GNH Commission, its responsibilities were transferred to the Office of the Prime Minister and Cabinet, under the National Policy Coordination Division. This change was based on expert research and assessments, which concluded that the commission was no longer necessary.

Nonetheless, activities have continued in partnership with the Centre for Bhutan and GNH Studies, with plans for further collaboration in the future. The Prime Minister also highlighted that the 12th Five-Year Plan (FYP) was submitted to the Centre and it has played a vital role in areas like the private and business sectors, achieving commendable results.

3. 4P2S/OQ28 Strategies to Promote the National Language: Dzongkha

The Member from Nyisho-Saephu stated that to promote the use of Dzongkha, the Prime Minister has issued executive directives across the country, mandating that Dzongkha be used in all meetings and speeches. He further emphasized that these directives require official documents to be prepared in Dzongkha and expressed his gratitude for such directives.

In line with these directives, the member inquired about the government's plans and policies within ministries and departments to enhance the Dzongkha language. He also sought information on the recruitment plans for graduates specializing in Dzongkha in government offices. Additionally, he inquired about the initiatives of colleges focusing on Dzongkha, including research programs related to the language.

In response, the Prime Minister explained that during the recruitment of civil servants, the examination subjects and questions are designed equally in both English and Dzongkha. Therefore, the government expects all civil servants to possess equal proficiency in both languages.

The Prime Minister stated that there are 159 students studying Dzongkha in colleges and 86 Dzongkha specialists. Additionally, 9 students are pursuing Dzongkha with Media, 40 are combining Dzongkha and English, and 7 are studying Dzongkha with History. Recognizing the importance of Dzongkha, there are 42 Dzongkha Development Officers, 2,018 Dzongkha teachers, and 3 Dzongkha teachers working abroad.

The Prime Minister also stated that training programs have been conducted to enhance teachers' capabilities. While colleges are available to support the improvement of Dzongkha, it is essential to assess whether further improvements are necessary or not. Only after this assessment will appropriate plans be implemented. **The Detailed Question and Answers are in the Question Hour Verbatim Booklet. (5th Day of the 10th Month of the Wood Male Dragon Year corresponding to 06 December 2024)**

Inaugural Speech by Tshogpon Lungten Dorji on the Opening Ceremony of Second Session of the Fourth Parliament of Bhutan [14 November 2024]

The Second Session of the Fourth Parliament of Bhutan commences today on this auspicious day. On behalf of all Members of Parliament and on my own behalf, I would like to humbly welcome and express my deepest gratitude to His Majesty the Druk Gyalpo for gracing the opening ceremony.

The Parliament also extends a warm welcome to the esteemed Members of the Royal Family. In addition, we welcome senior government officials, foreign diplomats and dignitaries, and teachers and students representing various schools and all who have come to witness today's session.

In October, His Majesty the Druk Gyalpo presided over Bhutan's inaugural Innovation Forum, a historic and unprecedented event held at Dungkar Dzong in Paro. The forum was attended by experts from both within and abroad, whose participation contributed to the promotion of Bhutan's traditional customs, heritage, and Bhutanese values. Additionally, information about the Gelephu Mindfulness City project has been widely shared on social media to inform the public. This event marks a proud moment for Bhutan, offering an exceptional opportunity to elevate the nation's profile on the global stage.

The GMC project is designed around the four pillars of Gross National Happiness, drawing the participation of international experts, inventors, entrepreneurs, artists, philosophers, and scientists. Many attendees of the forum expressed their appreciation for the project.

The forum, centered on consciousness, innovation, and sustainability, aimed to serve as a foundational platform for advancements in digital technologies, ecology, nature, education, and health, both within Bhutan and internationally. It was expected to drive innovation in urban planning and catalyze economic transformation. The forum promoted the development of equality, happiness, and peace in Bhutan and around the world.

The forum strengthened relationships between government officials and international experts. In addition to fostering solidarity and cooperation among entrepreneurs, it also facilitated connections between individuals and encouraged the exchange of ideas. This initiative bolstered both the current and future economy while enhancing trust between governments and citizens. Therefore, the Parliament would like to extend our sincere gratitude to His Majesty the Druk Gyalpo.

His Majesty's vision for the Gelephu Mindfulness City project has been internationally applauded for championing environmental protection alongside business and economic sustainability. For this, His Majesty has been named one of TIME's 100 Climate Leaders for 2024. The Parliament of Bhutan extends its heartfelt congratulations.

His Majesty the Druk Gyalpo has also engaged in bilateral talks with foreign countries for the benefit of the people and the nation, leading to successful outcomes. During the recent visit to Australia, His Majesty granted Royal Audiences to the Bhutanese communities in major cities, offering them

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blessings and insightful guidance. The heartfelt exchange between His Majesty and the Bhutanese community, as His Majesty spoke about the nation's innovative advancements, vividly demonstrated the deep affection and unwavering commitment to the people of Bhutan.

His Majesty the Druk Gyalpo and Royal Family were warmly welcomed by the Bhutanese citizens in Australia. The warm receptions demonstrated the deep sense of loyalty, patriotism and true love for the King and country.

Therefore, it is important for all of us, not only those living in the country but also those living abroad, to pray for the long life of His Majesty the Druk Gyalpo, the Jewel of our nation.

The Parliament wishes to extend its sincere gratitude to His Majesty the Druk Gyalpo for his diplomatic visits to foreign countries, which have been instrumental in advancing the nation's development and promoting the welfare of its people, despite the challenges and hardships encountered along the way.

On September 5, His Majesty the Druk Gyalpo officially launched the first cohort of the Gyalsung training programme. This noble initiative is destined to impart valuable moral education to the youth of our nation, instilling in them a profound sense of loyalty and an unwavering commitment to serve the Tsa-wa-Sum with sincerity and dedication.

The Parliament humbly and sincerely pray that this visionary program, established by His Majesty, may continue to flourish unaltered, serving as a beacon of guidance and inspiration for generations to come.

His Majesty the Druk Gyalpo has introduced the annual Royal Bhutan Flower Exhibition to enhance the beauty of Bhutan's cities and recently inaugurated Thimphu Changyul Park, creating an attractive space for the public to enjoy outdoor activities. With its scenic beauty and unique architecture, the park has quickly become a popular recreational space for people of all ages. The Parliament wishes to express its deep gratitude to His Majesty for these thoughtful initiatives and valuable contributions.

While such initiatives are ideally a collective responsibility of the government, His Majesty has undertaken them with genuine dedication. It is now crucial for government agencies and districts to follow His Majesty's example.

On the momentous and auspicious year of the sixty-ninth Birth Anniversary of His Majesty the Fourth Druk Gyalpo, the revered father of our nation, the Parliament wishes to offer our sincere and heartfelt prayers for His continued well-being and long life. We also offer our deepest wishes for His Majesty's enduring success in all His noble endeavors and may His Majesty live until the end of time itself.

Under the wise and compassionate leadership of His Holiness the Je Khenpo, our revered Spiritual Masters, Abbots, Truelkus, and the entire Dratshang, with the esteemed religious community, have been undertaking profound and extensive religious rituals for the peace, harmony, and prosperity of our beloved nation. The Parliament, with the utmost humility and gratitude, expresses heartfelt thanks for these invaluable contributions.

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On behalf of Parliament, I extend my congratulations to His Excellency, the Prime Minister, for his extensive foreign visits and engagements with bilateral and international development partners to strengthen existing collaborations and explore new opportunities. I also commend his participation in the United Nations General Assembly in New York, where he delivered keynote speeches, along with his success in greatly expanding cooperation and partnerships with key international institutions.

In alignment with the longstanding aspirations of the people of Bhutan and under the wise counsel and vision of His Majesty, an Integrated Check Post in Darranga, Samdrupjongkhar was opened on 7th November 2024, which stands as a testament to the enduring and profound friendship between the Governments of Bhutan and India. This new gateway is expected to greatly enhance trade, economic growth, and tourism throughout Bhutan, with remarkable benefits anticipated for the people of the six eastern provinces. The Parliament extends its sincere and heartfelt gratitude to the Government of India, with particular appreciation to the Chief Minister and esteemed officials of Assam State for bringing this project to fruition. The Parliament also expresses deep appreciation for the Prime Minister of Bhutan and all involved Bhutanese officials, whose commitment has played a crucial role in realizing this milestone.

The Second Session of the Fourth Parliament of Bhutan will be deliberating on the following agenda items:

National Assembly's Legislative Bills

1. Goods and Service Tax (Amendment) Bill of Bhutan, 2024;
2. Cattle Tax Exemption Bill of Bhutan, 2024;
3. Parliamentary Entitlements (Amendment) Bill of Bhutan, 2024.

Review Reports

1. Annual Report of the Anti-Corruption Commission;
2. Action Taken Reports on the resolutions of the First Session;
3. Additionally, the committees will present a series of review reports and question hour sessions based on the daily business agenda.

Joint Sitting

1. Deliberation on Performance Audit Report of State Mining Corporation Limited, 2024.

This year, the Parliament was honored to participate in the 149th session of the Inter-Parliamentary Union, a global platform that brings together Speakers, Chairpersons, and legislators from around the world to deepen ties and promote the shared values of democracy and effective parliamentary governance.

In addition, some members of Parliament participated in the AFPPD Conference on Population and Development, while few engaged in meetings with the Parliamentary Association in Australia, enhancing parliamentary diplomacy and deepening cooperation both at the national and parliamentary levels.

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In conclusion, with the blessings of the Triple Gem, the mighty grace of His Majesty the Druk Gyalpo, the Members of the Royal Family, collective merits of the people of Bhutan, I would like to offer prayers for the successful conclusion of the Second Session of the Fourth Parliament. The Parliament also offers its deep prayers for the long lives of His Majesty the Druk Gyalpo, Members of the Royal Family and His Holiness the Je-Khenpo including other reverends and for the continued peace and harmony among the people and the country.

Thank You

Adoption Cattle Tax Exemption Bill of Bhutan 2024**Total-40, Yes-37, No-0, Abstain-3**

1.	Kuenzang Thinley(Chokhor-Tang)	Yes
2.	Sonam Rinchen(Chumig-Ura)	Yes
3.	Sonam Dorji(Drujeygang-Tseza)	Abstain
4.	Pema Drukpa(Khamed-Lunana)	Yes
5.	Lhaba Lhaba (Khatoed-Laya)	Yes
6.	Lhendup Wangdi(Bji-Kar-Tshog-Uesu)	Yes
7.	Loday Tsheten (Gangzur-Minje)	Yes
8.	Kinzang Wangchuk(Dramedtse-Ngatshang)	Yes
9.	Dorji Wangmo (Kengkhar-Weringla)	Yes
10.	Naiten Wangchuk (Monggar)	Yes
11.	Sangay Thinley(Khar-Yurung)	Yes
12.	Yeshey Jamtsho (Nanong-Shumar)	Yes
13.	Tshering Penjor(Dewathang-Gomdar)	Yes
14.	Harka Singh Tamang(Gelegphu)	Yes
15.	Dr. Tek Bdr Rai (Shompangkha)	Yes
16.	Wangdi(Boomdeling-Jamkhar)	Abstain
17.	Namgay Dorji(Khamdang-Ramjar)	Yes
18.	Rinchen Wangdi(Bartsham-Shongphu)	Yes
19.	Lam Dorji (Wamrong)	Yes
20.	Namgay Dorji(Draagteng-Langthil)	Abstain
21.	Kamal Bdr Gurung (Kilkhorthang-Menfrelgang)	Yes
22.	Lhakpa Tshering Tamang(Sergithang-Tsirang Toed)	Yes

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23.	Rinzin Dorji (Phuntsholing)	Yes
24.	Namgay Wangchuk (Lingmukha-Toedwang)	Yes
25.	Lamdra Wangdi(Nganglam)	Yes
26.	Damchoe Tenzin(Thrimshing-Kangpara)	Yes
27.	Kuenga(Ngyisho-Saephu)	Yes
28.	Tashi Dorji(Nubi-Tangsibji)	Yes
29.	Tashi Tenzin(Radi-Sakteng)	Yes
30.	Tshewang Rinzin(South Thimphu)	Yes
31.	Dasho Pema Chewang(Opposition Leader)	Yes
32.	Chandra Bdr Gurung(MoIT)	Yes
33.	Lekey Dorji(MoF)	Yes
34.	Tandin Wangchuk (MoH)	Yes
35.	Tshering (MoHA)	Yes
36.	Yeezang D Thapa (MoESD)	Yes
37.	Younten Phuntsho (MoAL)	Yes
38.	Sangay Khandu (Dy.Speaker)	Yes
39.	Namgyal Dorji(MoICE)	Yes
40.	Pemba (Bongo-Chapcha)	Yes

Voting Records of the deliberation on the Anti Corruption Commission's review report 2023-2024

Total-41, Yes-38, No-1, Abstain-2,

1.	Kinzang Thinley (Chhoekhor-Tang)	Yes
2.	Sonam Rinchen (Chumig-Ura)	Yes
3.	Pema Drukpa (Khamaed-Lunana)	Yes
4.	Lhaba Lhaba (Khatoed-Laya)	Yes
5.	Lhendup Wangdi (Bji-Kartshog-Uesu)	Yes
6.	Tenpa Dorji (Menbi-Tsenkhar)	Yes
7.	Kinzang Wangchuk (Dramitse-Ngatshang)	Yes
8.	Naiten Wangchuk (Monggar)	Yes
9.	Sonam Tashi (Lamgong-Wangchang)	Yes
10.	Sangay Thinley (Khar-Yurung)	Yes
11.	Yeshey Jamtsho (Nanong-Shumar)	Yes
12.	Tshering Penjor (Dewathang-Gomdar)	Yes
13.	Harka Sign Tamang (Gelegphu)	Yes
14.	Dr. Tek Bdr Rai (Shompangkha)	Yes
15.	Wangdi (Boomdeling-Jamkhar)	Yes
16.	Namgay Dorji (Khamdang-Ramjar)	Yes
17.	Rinchen Wangdi (Bartsham-Shongphu)	Yes
18.	Lam Dorji (Wamrong)	Yes
19.	Kamal Bdr Gurung (Kilkhorthang-Menfrelgang)	Yes
20.	Lhakpa Tshering Tamang (Sergithang-Tsirang Toed)	Yes
21.	Rinzin Dorji (Phuentsholing)	Abstain

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22.	Ugyen Lama (Dophuchen Tading)	Yes
23.	Namgay Wangchuk (Lingmukha-Toedwang)	Yes
24.	Lamdra Wangdi (Nganglam)	Yes
25.	Damchoe Tenzin (Thrimshing-Kangpara)	Yes
26.	Kuenga (Ngyisho-Saephu)	No
27.	Tashi Dorji (Nubi-Tangsibji)	Yes
28.	Tashi Tenzin (Radi-Sakteng)	Yes
29.	Tshewang Rinzin (South-Thimphu)	Yes
31.	Chandra Gurung (MoIT)	Yes
32.	DN Dhungyel (MoFAE)	Yes
33.	Namgay Dorji (MoF)	Yes
34.	Tandin Wangchuk (MoH)	Abstain
35.	Tshering (MoHA)	Yes
36.	Yeezang DeThapa (MoESD)	Yes
37.	Younten Phuentsho (MoAL)	Yes
38.	Sangay Khandu (Deputy Speaker)	Yes
39.	Gem Tshering (MoENR)	Yes
40.	Namgay Dorji (MoICE)	Yes
41.	Pemba (Bongo-Chapcha)	Yes

Voting Record of the Requirement of a Pension Act**Total-44, Yes-39, No-3, Abstain-2**

1. Kinzang Thinley (Chhoekhor-Tang)	Yes
2. Sonam Rinchen (Chumig-Ura)	Yes
3. Sonam Dorji (Drujeygang-Tseza)	Yes
4. Pema Drukpa (Khamaed-Lunana)	Yes
5. Lhaba Lhaba (Khatoed-Laya)	Yes
6. Lhendup Wangdi (Bji-Kar-Tshog-Uesu)	Yes
7. Loday Theten (Gangzur-Minje)	Yes
8. Tempa Dorji (Maenbi-Tsaenkhar)	Yes
9. Kinzang Wangchuk (Dramedtse-Ngatshang)	Yes
10. Naiten Wangchuk (Monggar)	Yes
11. Sonam Tashi (Lamgong-Wangchang)	Yes
12. Sangay Thinley (Khar-Yurung)	Yes
13. Yeshey Jamtsho (Nanong-Shumar)	Yes
14. Tshering Penjor (Dewathang-Gomdar)	Abstain
15. Harka Sign Tamang (Gelegphu)	Yes
16. Dr. Tek Bdr Rai (Shompangkha)	Yes
17. Wangdi (Boomdeling-Jamkhar)	No
18. Namgay Dorji (Khamdang-Ramjar)	No
19. Rinchen Wangdi (Bartsham-Shongphu)	Yes
20. Lam Dorji (Wamrong)	Yes
21. Kamal Bdr Gurung (Kilkhorthang-Menfrelgang)	Yes
22. Lhakpa Tshering Tamang (Sergithang-Tsirang-Toed)	Yes

Annexure IV

23.	Rinzin Dorji (Phuntsholing)	Yes
24.	Ugyen Lama (Dophuchen-Tading)	Yes
25.	Namgay Wangchuk (LingmuKha-Toedwang)	Yes
26.	Lamda Wangdi (Nganglam)	Yes
27.	Damcho Tenzin (Thrimshing-Kangpara)	Yes
28.	Kuenga (Nyishog-Saephu)	Yes
29.	Tashi Dorji (Nubi-Tangsibji)	Yes
30.	Tashi Tenzin (Radhi-Sakteng)	Abstain
31.	Tshewang Rinzin (Lho-Thimphu)	No
32.	Tshering Tobgay (Prime Minister)	Yes
33.	Dasho Pema Chewang (OL)	Yes
34.	Chandra Bdr. Gurung (MoIT)	Yes
35.	DN Dungyel (MoFAET)	Yes
36.	Leki Dorji (MoF)	Yes
37.	Tandin Wangchuk (MoH)	Yes
38.	Tshering (MoHA)	Yes
39.	Yeezang De Thapa (MoESD)	Yes
40.	Yonten Phuntsho (MoAL)	Yes
41.	Sangay Khandu (Dy. Speaker)	Yes
42.	Gyem Tshering (MoENR)	Yes
43.	Namgay Dorji (MoICE)	Yes
44.	Pempa (Bongo-Chapcha)	Yes

Voting Records for the amendment of the Pay Structure Reform Act of Bhutan 2022

Total-41, Yes-32, No-2, Abstain-7

1.	Kinzang Thinley (Chhokhor-Tang)	Yes
2.	Sonam Rinchen (Chumig-Ura)	Yes
3.	Sonam Dorji (Drujeygang-Tseza)	Yes
4.	Pema Drukpa (Khamaed-Lunana)	Yes
5.	Lhaba Lhaba (Khatoed-Laya)	Yes
6.	Lhendup Wangdi (Bji-Kartshog-Uesu)	Yes
7.	Loday Tsheten (Gangzur-Minje)	Yes
8.	Kinzang Wangchuk (Drametse-Ngatshang)	Yes
9.	Naiten Wangchuk (Mongar)	Yes
10.	Sonam Tashi (Lamgong-Wachang)	Yes
11.	Sangay Thinley (Khar-Yurung)	Yes
12.	Yeshey Jamtsho (Nanong-Shumar)	Yes
13.	Tshering Peljor (Dewathang-Gomdar)	Yes
14.	Harka Singh Tamang(Gelegphu)	Yes
15.	Dr. Tek Bdr. Gurung (Shompangkha)	Yes
16.	Wangdi(Boomdeling-Jamkhar)	Yes
17.	Namgay Dorji(Khamdang-Ramjar)	Yes
18.	Rinchen Wangdi(Bartsham-Shongphu)	Yes
19.	Lam Dorji (Wamrong)	Yes
20.	Kamal Bdr Gurung (Kilkhorthang-Mendrelgang)	Yes
21.	Lhakpa Tshering Tamang (Sergithang-Tsirang-Toed)	Yes

Annexure V

22. Ugyen Lama (Dophuchen-Tading)	Yes
23. Namgay Wangchuk (LingmuKha-Toedwang)	Yes
24. Lamda Wangdi (Nganglam)	Yes
25. Damche Tenzin (Thrimshing-Kangpara)	Yes
26. Kuenga (Nyishog-Saephu)	Yes
27. Tashi Dorji (Nubi-Tangsibji)	Yes
28. Tashi Tenzin (Radi-Sakyeng)	Yes
29. Tshewng Rinzin (South-Thimphu)	Yes
30. Dasho Tshering Tobgay (Prime Minister)	No
31. Dasho Pema Chewang (Opposition Leader)	Yes
32. Chandra Bdr Gurung (MoIT)	Abstain
33. Dinanath Dhubgyel (MoFAET)	Abstain
34. Lekey Dorji (MoF)	No
35. Tandin Wangchuk (MoH)	Abstain
36. Tshering(MoHA)	Abstain
37. Yezang D Thapa(MoESD)	Abstain
38. Younten Phuntsho(MoAL)	Abstain
39. Sangay Khandu(Dy.Speaker)	Yes
40. Namgay Dorji(MoICE)	Abstain
41. Pemba (Bongo-Chapcha)	Yes

Speech by Speaker Lungten Dorji at the Concluding Ceremony of Second Session of the Fourth Parliament of Bhutan (11.12.2024)

1. The second session of the Fourth Parliament formally concludes today on this auspicious day. On this momentous occasion marking the closing of this session, I would like to extend our heartfelt gratitude and humbly welcome to His Majesty for gracing the closing ceremony despite numerous important responsibilities His Majesty has for the welfare of our state.
2. We would also like to extend a heartfelt welcome and express our deepest gratitude to Her Majesty the Gyaltsuen and the Royal Family. We also extend a warm welcome to senior government officials, foreign diplomats, dignitaries, representatives from the private sector, and all those who joined us today to witness this occasion.
3. Among the numerous projects initiated by His Majesty the Druk Gyalpo in Gelephu, religious projects include the construction of Dzongs, monasteries, stupas, and pilgrimage sites in Gelephu. The groundbreaking ceremonies for these projects have been blessed and supported by the Dharma Protectors of the Pelden Drukpa. Furthermore, His Majesty the Druk Gyalpo made an official visit to Nepal, where His Majesty visited the Phagpa Shing-kuen and Jarungkhashor Stupa, offering butter lamps and prayers for the nation. The Parliament extends its heartfelt wishes and prayers for the successful completion of the Jarungkhashor Stupa to be built in Gelephu and the realization of His Majesty's visionary projects.

4. His Majesty the Druk Gyalpo, with a vision for the future, is committed to transforming the mindsets of Bhutanese youth to meet the challenges of both today and tomorrow. His Majesty's personal vision is to make Bhutanese youth capable and self-reliant, enabling them to serve the Tsa-Wa-Sum with loyalty and dedication. The three-month long Gyalsung training which began on 5 September this year, the first of its kind conducted simultaneously in four training academies, saw 2,001 youths complete their training on 3rd December with a passing out parade. Reflecting on the successful completion of the program:

Firstly, the young participants have received a comprehensive education, which has greatly enhanced their confidence and courage to serve the country. They have developed a sense of pride in themselves, and the experience has been truly transformative.

Secondly, during the momentous POP ceremony, amidst many profound and enlightening speeches delivered by His Majesty, one remarkable subject stood out about the Gyalsung program as a historic achievement of our beloved nation. This extraordinary discourse resonated deeply and an overwhelming sense of nostalgia, reverence, pride, and admiration swept through the audience, including the young graduates and citizens who watched the event on television.

At the grand POP ceremony, the youths proudly demonstrated a flawless parade before the Druk Gyalpo, a truly awe-inspiring display of discipline and unity. As the celebration unfolded, parents, siblings, and

relatives gathered in admiration, their hearts swelling with pride as they witnessed the remarkable capacity and exceptional skills of their children. The performance left them in utter amazement, as they marveled at the evident talents and extraordinary achievements on display. With deep reverence, the parents expressed their profound gratitude to His Majesty the Druk Gyalpo for providing such invaluable opportunities that have shaped their children's futures.

The esteemed Gyalsung program, a brilliant manifestation of the visionary leadership of the Druk Gyalpo, commenced with its inaugural cohort of 2,001 exceptional youths. As the program rolls out, the training duration will be further extended, and the number of participants will grow, amplifying its reach and impact. Bhutan's youth are truly privileged to be part of this monumental initiative, which is destined to offer immense and far-reaching benefits, shaping the future of the nation and empowering the next generation with unparalleled opportunities for growth and excellence.

For three months, Gyalsups have received training in basic military skills, national education, etiquette, sermons, leadership development, and essential life skills as part of the Gyalsung training program. They are now well-prepared and transformed, and as a result, the youth should be ready and willing to serve the Tsa wa sum.

5. Under the boundless wisdom and compassionate leadership of His Holiness the Je Khenpo, our venerable Spiritual Masters, lamas and Truelkus, and the members of the Dratshang and monastic community have been tirelessly performing a number of religious rituals to safeguard the peace, harmony, and prosperity of the nation and to avert pandemics, famines, strife, and wars. The Parliament offers deepest gratitude to the monastic community. Furthermore, we extend our profound gratitude to His Holiness the Je Khenpo for leading the sacred Goenpo Yoed-Pag-May Drubchen in Lhuentse Autsho and other rituals dedicated to the welfare of our beloved nation and its people.

6. I would like to submit a brief report on the deliberation of the Second Session of the Fourth Parliament as follows:

Bills:

- The Cattle Tax Exemption Bill has been passed by both Houses of Parliament and will be submitted for Royal Assent;
- The National Assembly (Amendment) Bill and the Marriage (Amendment) Bill will be proposed for deliberation in a joint sitting;
- Amendments to the Parliamentary Entitlements Act and the Pay Structure Reform Act have been referred to the Government for harmonization to remove duplicating clauses in the laws.

Reports:

- The Annual Report of the Anti-Corruption Commission for the year 2023-2024 was deliberated and recommendations adopted for the Government and relevant agencies to implement the resolutions. The House thoroughly discussed the research and review report presented by the Good Governance Committee, which focused on the economy, education, health, agriculture and national security, all aimed at promoting the welfare of the nation and the people.
- Four motions and four recommendations were deliberated and adopted, followed by question hours comprising 29 oral questions and 8 written questions, making a total of 37 questions asked to the Government.
- All of these are organized to prioritize the welfare of the country and its people, with MPs regarded as a key strategic component of the house.
- Discussions were held on five follow-up reports related to resolutions passed in the first session, as well as on the Royal Audit Authority's report during a Joint Sitting.

7. I would like to express my sincere gratitude to the Deputy Speaker, Secretary General, officers and staff of the National Assembly Secretariat, as well as to the Department of Procurement and Properties, the Royal Bhutan Police, and other security personnel and the media for their invaluable support and cooperation throughout this session.

8. The Second Session of the Fourth Parliament concluded successfully with the blessing of the Triple Gem and the wise guidance of His Majesty the Druk Gyalpo, the prayers of the monastic bodies and collective merits of the people of Bhutan. I would like to express my gratitude to all Members of Parliament for their unwavering support and cooperation throughout the session.
9. In conclusion, let us humbly unite our hearts and souls in collective prayer for the enduring sovereignty and security of our beloved country. May the eternal longevity, boundless happiness, and unmatched wisdom of His Majesty the Druk Gyalpo be blessed, along with the health and well-being of His Majesty the Fourth Druk Gyalpo, the revered Members of the Royal Family, His Holiness the Je Khenpo, and all esteemed religious figures. Let us pray fervently for the continued peace, prosperity, and happiness of our people. With deep reverence, let us offer our Trashi Moenlam and Zhapten to His Majesty the Druk Gyalpo, at the exalted seat of the Golden Throne, seeking divine blessings for His Majesty's continued glorious reign and everlasting peace and prosperity of our people.

Kadrinche!

List of participants in the Second Session of the Fourth Parliament

1. Speaker Lungten Dorji (Panbang)
2. Prime Minister Dasho Tshering Tobgay (Sombaykha)
3. Minister of Foreign Affair and External Trade Dinanath Dhungyel (Phuentsho-Pelri)
4. Minister of Health Tandin Wangchuk (Athang-Thoedtsho)
5. Minister of Finance Lekey Dorji (Bardo-Trong)
6. Minister of Education and Skills Development Yezang D Thapa (Ugyentse-Yoeseltse)
7. Minister of Agriculture and Livestock Younten Phuntsho (Jomotshangkha-Martshala)
8. Minister of Infrastructure and Transport Chandra Bdr Gurung (Lhamoi Zingkha- Tashiding)
9. Minister of Energy and Natural Resources Gem Tshering (Dhogar-Shaba)
10. Minister of Home Affairs Tshering (North Thimphu)
11. Minister of Industry, Commerce and Employment Namgay Dorji(Karbji-Talog)
12. Opposition Leader Dasho Pema Chewang(Kanglung Samkhar Udzorong)
13. Dy.Speaker Sangay Khandu (Tashi-Choeling)
14. Sonam Rinchen(Chumig-Ura)
15. Kuenzang Thinley(Chokhor- Tang)
16. Pemba (Bongo-Chapcha)

17. Rinzin Dorji (Phuntsholing)
18. Sonam Dorji(Drujeygang-Tseza)
19. Pema Drukpa(Khamed-Lunana)
20. Lhaba Lhaba (Khatoed-Laya)
21. Lhendup Wangdi(Bji-Kar-Tshog-Uesu)
22. Loday Tsheten (Gangzur-Minje)
23. Tempa Dorji(Maenbi-Tsaenkhar)
24. Kinzang Wangchuk(Dramedtse-Ngatshang)
25. Dorji Wangmo (Kengkhar-Weringla)
26. Naiten Wangcguk (Monger)
27. Sonam Tashi (Lamgong Wangchang)
28. Sangay Thinley(Khar-Yurung)
29. Yeshey Jamtsho (Nanong-Shumar)
30. Lamdra Wangdi(Nganglam)
31. Namgay Wangchuk (Lingmukha-Toedwang)
32. Tshering Penjor(Dewathang-Gomdar)
33. Ugyen Lama(Dophuchen-Tading)
34. Harka Singh Tamang(Gelegphu)
35. Dr. Tek Bdr Rai (Shompangkha)
36. Tshewang Rinzin(South Thimphu)
37. Rinchen Wangdi(Bartsham-Shongphu)
38. Tashi Tenzin(Radi-Sakteng)
39. Damchoe Tenzin(Thrimshing-Kangpara)
40. Lam Dorji (Wamrong)

Annexure VII

41. Wangdi(Bomdeling-Jamkhar)
42. Namgay Dorji(Khamdang-Ramjar)
43. Namgay Dorji(Dragteng-Langthil)
44. Tashi Dorji(Nubi-Tangsibji)
45. Kamal Bdr Gurung (Kilkhorthang-Mendrelgang)
46. Lhakpa Tshering Tamang (Sergithang-Tsirang-Toed)
47. Kuenga (Nyishog-Saephu)