

**PROCEEDINGS AND RESOLUTIONS (TRANSLATION)
OF THE 10TH SESSION OF NATIONAL
COUNCIL OF BHUTAN**

*(Friday, 26th Day of the 12 Month of the Water Male Dragon Year
corresponding to 8th February 2013)*

A Proceedings of the Opening Ceremony

The 10th Session of the National Council of Bhutan commenced on the 26th Day of the 12th Month of the Water Male Dragon Year with *Zhugdrel Phunsum Tshogpai Tendrel* presided over by the Hon'ble Chairperson.

B Hon'ble Chairperson's Address

The Hon'ble Chairperson welcomed all Hon'ble Members, representatives from the media firms, guests and all the people watching television and listening to radios from across the country to the opening ceremony of the 10th session of the National Council of Bhutan and wished them Losar Tashi Delek.

He informed that during the 10th Session, the National Council would be deliberating on the Road Bill of Bhutan 2012 and Domestic Violence Prevention Bill 2012. The Council would further be re-deliberating on the Contract Bill of Bhutan 2011, the Alternative Dispute Resolution Bill of Bhutan 2011 and ratifying three SAARC Conventions. He said that the House would also discuss relevant policies and other pertinent issues and have Question Times as in the past sessions.

The Hon'ble Chairperson thanked His Majesty Jigme Khesar Namgyel Wangchuck and His Majesty the Fourth Druk Gyalpo for further strengthening the sovereignty

and security of the nation and ensuring the rights and privileges of its citizens among their many other outstanding accomplishments.

He expressed his gratitude to Their Majesties for their roles in introducing democracy in the country which led to the historic political transition in 2008. He pointed out that, following the introduction of democracy in Bhutan, many individuals had worked relentlessly in order to realise the gift of democracy from the Throne for which His Majesty had given them due recognition through various awards.

Similarly, he thanked His Majesty the King for bestowing Institutional Druk Thuksey Award to the National Council during the 105th National Day Celebrations. He said the honour that the National Council received through the award was in recognition of its efficient and effective discharge of parliamentary duties. He highlighted that although the institution of the National Council was established only in 2008 with the introduction of democracy for the first time, His Majesty the King had commended that the National Council had not only lived up to its mandates but, at times, even surpassed the expectations in fulfilling its roles and responsibilities as one of the houses of parliament. Therefore, the Hon'ble Chairperson thanked His Majesty the King for His words of encouragement and guidance and awarding Druk Thuksey Medal, the highest civilian award, to the National Council of Bhutan. He stated that the National Council was very fortunate to receive such a prestigious award.

He pointed out that, the elected members of the National Council of the first Parliament had to face huge challenges since they had neither precedence nor the required experience in discharging their review and

legislative functions in a democratic system of governance. Despite the challenges, he said that they overcame the setbacks through research, study and consultative processes which enabled them to deal with all the issues tabled before them thereby making the National Council one of the most functional and trustworthy democratic institutions in the country. Further, he said that the National Council was successful in reviewing the performance of the Government and other relevant agencies without impeding the socio-economic development of the country in any manner.

He also congratulated Dasho Sonam Kinga, the Deputy Chairperson, and Dasho Karma Yezer Raydi for being conferred the red scarf by His Majesty the King in recognition of their unwavering service and dedication to the National Council. While extending his good wishes to the Hon'ble Members, he also expressed his hope that they would continue to serve the *Tsa-Wa-Sum* with unflinching sincerity and utmost dedication.

He expressed his hope that the Hon'ble Members of the National Council, the House Committees and the Secretariat would shoulder their responsibilities to bring the 10th Session of the National Council to a successful conclusion.

In his concluding remarks, the Chairperson prayed that - with the blessings of the Triple Gem and the Guardian deities, good wishes of our forefathers and guidance of Their Majesties - the impeccable reputation of Bhutan would flourish far and wide. He also prayed for the peace and progress in the country, for the health and happiness of Their Majesties the Kings, Her Majesty the Gyaltshen and Members of the Royal family.

*(Wednesday, 3rd Day of the 1st Month of Water Female Snake Year
corresponding to 13th February 2013)*

C LEGISLATIVE ISSUES

1. Introduction of the Domestic Violence Prevention Bill of Bhutan 2012

The Member-in-Charge of the Domestic Violence Prevention Bill of Bhutan 2012, the Hon'ble Minister for Education, said that the Bill was, on one hand, seen as a necessity in the country, while on the other hand, the need was not vital. However, aimed at victims related to domestic violence, the drafting of the Domestic Violence Prevention Bill of Bhutan 2012 was coordinated by the National Commission for Women and Children (NCWC), after which relevant experts were consulted. After the draft was approved by the Cabinet, the National Assembly had deliberated on the Bill during its 9th session and submitted it to the National Council for endorsement along with the necessary amendments.

The purpose of the Bill was not to penalize the perpetrators but to prevent violence and ensure peace, happiness and harmony in the family, home and society. Although acts of domestic violence were wrongful and unpleasant, common people, out of ignorance, sometimes resorted to such behaviours. To prevent such instances, and to help and support the victims, such a law was necessary in the country in keeping with the needs of changing times.

The Bill drafted by the National Commission for Women and Children was also scrutinized by experts on domestic violence and then submitted to the Parliament for adoption. It was expected that the National Council

would thoroughly deliberate on the Bill to ensure that it would serve the purpose intended for in future.

The Hon'ble Member of Thimphu Dzongkhag pointed out that although the Bill was for the victims of domestic violence, Section 23 does not properly cover that concern. Moreover, it was not just and equitable. In response, the Hon'ble Minister for Education said that although the experts did not see any problems under Section 23 during the drafting stage, the Hon'ble Members could amend the section to ensure its proper implementation.

(Monday, 18th February 2013 corresponding to the 8th Day of the 1st Month of Water Female Snake Year)

1.1 Debate on the Domestic Violence Prevention Bill of Bhutan 2012

The National Council thoroughly deliberated on the Domestic Violence prevention Bill of Bhutan 2012 on 14/02/2013, 15/02/2013 and 18/02/2013, and made the following amendments and changes to be submitted to the National Assembly for re-deliberation.

Preamble

Recognizing **the need to prevent** ~~that the domestic violence is a serious social evil;~~ that there is incidence of domestic violence **and promote harmony, co-existence and respect within families and domestic groups** ~~within Bhutanese Society;~~ that victims of domestic violence are the most vurnable members of society; that women constitute the majority of the victim of domestic violence;

Preamble *(endorsed NA's amendment with additional amendment as under)*

Parliament of the Kingdom of Bhutan do hereby enact the Domestic Violence Prevention **Act** ~~Bill~~ of Bhutan **2013** on ... Day of the ...Month of the ... Year of the Bhutanese Calendar corresponding to the ... Day of ... Month...Year at its ... Session of the First Parliament as follows:

Section 1 (1)

Be called THE DOMESTIC VIOLENCE PREVENTION ~~BILL 2012~~ **ACT OF BHUTAN 2013**;

Section 10 (1)

Develop, **coordinate and monitor** such programs and activities for the effective implementation of this Act by the relevant agencies;

New Subsection after Section 10 (1)

Develop reintegration programs and activities to facilitate livelihood of the victims;

Section 10 (2)

Conduct periodic study to monitor the situation of ~~Carry out such preventive measures to combat~~ domestic violence **in the country;**

New Subsection after Section 10 (2)

Develop programs and activities to advocate against domestic violence;

New Sub-section after Section 10 (4)

Establish central database management system in order to maintain upto date record of all the domestic violence cases in the country.

Section 12

The Government including local government shall:

- 1) **Ensure all the relevant agencies/focal persons to collaborate with the Competent Authority for effective implementation of this Act** ~~Create awareness on the provisions of this Act and other relevant laws; and~~

Chapter 4

“ཕྱོད་ཅུ” in Dzongkha corresponding to “Complainant” in English shall be amended as “ཉེན་མེད་བཤུན་བཀའ་མི” throughout the Bill.

Section 13 (1)

~~Royal Bhutan Police~~

Section 13 (5)

Members of the Local Government Authority **Leaders**

New Section after Section 13

The authorities mentioned under Section 13 above shall upon receipt of the compliant conduct physical verifications and report immediately to the nearest police station, if the victim so desires.

Section 14 (5)

Education ~~School Authority/~~Education Institutions; or

New Subsection after Section 15 (3)

Any other informations, if necessary.

Section 18

Every Compliant shall be kept **confidential** ~~secret and shall not be disclosed~~ except to the investigation officer, court and prosecuting agency if required.

Section 20

A petition on domestic violence may be filed before the court by complainant under Section 14.

~~Notwithstanding anything contained in section 14 if this Act, a petition on domestic violence may be filed before the court by:~~

- ~~(1) The victim;~~
- ~~(2) The Complainant;~~
- ~~(3) Protection Officer; or~~
- ~~(4) Competent Authority~~

Section 22 (5)

Take Statement of the victim by the police personnel of **preferably the** same sex.

Section 23

~~Notwithstanding anything contained in section 71 of the Royal Bhutan Police Act, if~~ **If** the offence is of petty misdemeanor and below, and the defendant is not a recidivist, a police personnel may ~~release defendant on surety if detained or may~~ allow the matter to be settled mutually if the victim so desires, considering:

Section 24

The government in consultation with the Competent Authority shall ~~appoint such number of Protection Officers in each district as it may consider necessary and shall notify the area or areas within which the protection officer shall~~ **designate Child Welfare Officer as Protection Officer** to exercise the powers and perform the duties conferred under this Act.

Subsection 27

~~The Competent Authority shall prescribe the terms and conditions of service of Protection Officer and other~~

officers. **The terms and conditions of Protection Officer shall be in accordance with the relevant laws.**

Subsection 28

The ~~appointed or designated~~ Protection Officer shall be under the supervision and guidance of the ~~Competent Authority~~ **Dzongkhag Authority** for discharge of duties under this Act.

Section 29 (2)

Ensure that a domestic violence incident is reported to the ~~Competent Authority~~, **police station and service providers** in such form and manner as may be prescribed and forward a copy to the ~~police station and service provider~~ **Competent Authority** of the ~~area of jurisdiction~~;

Section 29 (4)

Assist the victims to avail ~~Ensure that the victim is provided free legal~~ legal aid and relief as ~~may be provided under the relevant law~~;

New Sub-section after Section 29 (9)

Monitor the situation of domestic violence in his/her area of jurisdiction;

New Sub-section before Section 29 (10)

Carry out advocacy programs and activities against domestic violence in his/her area of jurisdiction;

Section 29 (10)

Perform such other duties as may be prescribed **under rules and regulations.**

Section 30

The Protection Officer shall declare any conflict of interest that may arise or appear to arise between his or her duty and private interest, pecuniary or otherwise. In the event of conflict of interest, the case may be referred to the Women and Child Protection Unit/Desk **with Royal Bhutan Police**.

Section 31

If a Protection Officer fails or refuses to discharge the duties as required under this Act without sufficient cause, he or she shall be liable for **administrative action** under the relevant laws.

Section 32

Any registered Civil Society Organization with the objective of protecting the rights of victims shall ~~register itself with~~ **be accredited by** the Competent Authority as a service provider for the purpose of this Act.

Section 33

~~The registration of the service provider shall be subject to conditions as may be prescribed by the Competent Authority.~~

Section 34

The Competent Authority ~~may~~ **shall** submit a list of the ~~registered~~ **accredited** service provider and services available to the court and police ~~when required~~.

Section 36 (3)

Get the victim medically examined and forward ~~a copy of~~ the medical report to the police station;

Section 36 (4)

If the victim so desires, file a petition before the court ~~through protection officers;~~

Section 38 (2)

Establish a One Stop Crisis Centre which shall facilitate the victims in receiving the ~~medical treatment~~ **multi-disciplinary services** and maintain records **thereof** ~~of treatment of victim.~~

Section 39 (1)

Provide necessary medical treatment to the victim and inform the police along with medical report **if the victim so desires;** and

Section 41

The community may **with assistance from Competent Authority** provide such services and measures to the victim to facilitate livelihood and to re-integrate into the society.

Sections 44, 45, 46 & 47

Retain as in the Draft Bill

Section 53

The media shall maintain professional standards **and ethics** including privacy in reporting and covering cases of domestic violence.

New Section after Section 57

The Court at any stage of the proceeding under this Act may direct the defendant and/or victim to undergo mandatory psychosocial treatment and rehabilitation, if deemed necessary.

Section 60

~~The prosecution of the case of domestic violence within the preview **under this Act** shall be carried out as per the existing laws of Bhutan.~~

Section 82

Any person who commits domestic violence within the meaning of section 4, 5 and 6 of this Act shall be liable for offence of:

- (1) A petty misdemeanor; or
- (2) A misdemeanor, if aggravated circumstance is present.

New Section after Section 82

Any person who commits domestic violence within the meaning of Section 5 (2) shall be liable for an offence as per the Penal Code of Bhutan.

New Section before Section 83

A person/persons who violates Section 18 and 19 of this Act shall be liable for penalty under the Penal Code of Bhutan.

Section 83

~~The defendant held liable under section 82 (2) of this Act may pay Thrimthue in lieu of imprisonment provided that defendant is not a recidivist and accustomed to or habitual offender.~~

Section 91

(Amend in line with the provisions on compensation as provided in the Penal Code (Amendment) Act of Bhutan 2011 as follows):

If the court **determines that** is satisfied that the compensation or **compensatory** damages **are** is appropriate, then a defendant convicted of an offence

shall be ordered to pay appropriate compensation or **compensatory** damages at the rate of the ~~daily~~ minimum ~~national~~ wage at the time of an offence for:

- (1) ~~Maximum of~~ ten years to the **surviving spouse** ~~victim~~ or next of kin of the victim and the cost for forty-nine days for seven people towards the expense incurred in the funeral rites of the deceased victim, when the crime has resulted in the death of the victim;
- (2) ~~Maximum of~~ ten years, if the crime causes permanent **total** disability to the victim;
- (3) ~~Maximum of~~ seven years, if the crime causes **permanent** partial disability to the victim;
- (4) ~~Maximum of~~ five years, if the crime **causes temporary total disability** ~~endangers the victim's life or causes serious bodily injury~~ to the victim; or
- (5) The **daily** wage lost of victim, when the crime has resulted in temporary loss of wages.

New Definitions (*National Assembly's Amendments*)

1. Spousal relationship: means people who are married, ~~separated or divorced.~~
3. (*Amended in Dzongkha*)
5. ~~Common Home: is the dwelling or residence where two or more people are not under~~

New Definitions (*Additional Definitions from National Council*)

- (1) **Shelter Homes:** means a temporary or permanent establishment that provides protection and other basic needs to the victim of the domestic violence till they are in position to sustain themselves.
- (2) **Multi-disciplinary Services:** means the services provided to the victims of domestic violence

and includes medical attention, counseling, police, legal and other social support services which may be necessary.

(Wednesday, 13th February 2013 corresponding to the 3rd Day of the 1st Month of Water Female Snake Year)

2 Introduction of the Road Bill of Bhutan 2012

The Member-in-Charge of the Road Bill of Bhutan 2012, the Hon'ble Minister for Works & Human Settlement, said that road connectivity was indispensable for socio-economic development of the country. For instance, road was essential for development of agriculture, industries, tourism and for strengthening the security and sovereignty of the nation. He said that since people expected their homes to be connected by roads and Government considered road construction a priority, substantial budget was allocated for the sector. He pointed out that the government had constructed 9000 kilometres of road in the country as of date.

He said that the Road Act of Bhutan was adopted in 2004 to ensure proper planning and sustainable use of roads. However, with the changing political system and time, the need for a new law was felt necessary. The new Bill had provisions pertaining to plans, policies, care, maintenance, standards and quality of roads. It also had provisions regarding the division of responsibilities among the ministries, departments and local governments.

One of the important issues in the Bill was that no activities would be allowed within 50 feet of National and Dzongkhag Highways. However, for the sake of convenience, the Bill had clear provisions specifying activities that were allowed or otherwise on either side of

the highways. For instance, essential infrastructures like toilets, eating and resting areas could be built along the road. Unlike in the past, it was not just the government that would be engaged in the construction of roads, but appropriate private entities could also construct roads and collect toll fees from road users.

In addition to motor roads, the Road Bill had provisions for construction of new footpaths, assuring quality of roads constructed and putting in place measures to ensure safety of motorists and pedestrians. In order to ensure smooth vehicular movement, construction of bridges was incorporated in the Bill. The Bill also had provision to control logging, extraction of stones and sand along the road.

He pointed out that the introduction of the Bill was aimed at socio-economic development of the country and for the benefit the society at large. The Bill would also help understand individual responsibilities during the construction and maintenance of roads. Hence, the Bill was introduced in detail to the National Council for adoption.

The Hon'ble Member of Trongsa Dzongkhag, with regard to the provision in the Bill not allowing any activities within 50 feet from the roadside, asked if there were provisions in the Act to deal with issues where land owners, prior to the adoption of the Road Act, had houses constructed near the road. In response, the Hon'ble Minister for Works and Human Settlement said that except construction of huge buildings, agricultural activities were allowed near the highways. Furthermore, small temporary business stalls, where necessary, would be allowed along the road sides. When a road had to be constructed through land that had already been

occupied, efforts would be made to avoid such settlements. However, where avoidance was not possible, the Bill had provisions for compensation and relocation.

Hon'ble Kuenlay Tshering enquired about the possibility of constructing quality double lane highways in the country, construction of highways through shortest routes possible, construction of protective fencing along the roads that run through cliffs, construction of tunnels, roofing of roads at high altitude to solve the problems relating to snow and ice in winter, introduction of electric buses and trains to ease traffic congestion in towns, and, to the extent possible, preventing damage to the environment. In response, the Hon'ble Minister said that during the construction of the road itself, the Government ensured that the highways were as wide as possible and of high standard. Works on shortening the routes were being carried out and safety fencing were also put in place where roads run through cliffs. He said that while the ministry had a policy for construction of tunnels and use of electric vehicles in towns, it could not be executed due to lack of funds.

The Hon'ble Deputy Chairperson said that according to the Bill, roads were to be constructed by the Department of Roads, Local Governments and by contractors under the Construction Development Authority Act, or by Concessionaires. As such, he asked under which category Project DANTAK, responsible for road construction along the borders would fall. In response, the Hon'ble Minister said that the works of Project Dantak did not fall under any of the given categories; however, it works with the concurrence of the Department of Roads.

The Hon'ble Member of Lhuentse Dzongkhag said that the definition of Dzongkhag highway included roads which connected Dzongkhag and Gewog centres and vice-versa. Since the areas along the roadside, in many remote areas, would face problems, he submitted that the Dzongkhag highway be either redefined, or consider a maximum of 50 feet and minimum of 30 feet on either side of the road. The Hon'ble Minister said that while he had nothing against the changes, considerations must be made to ensure that there was no problem during the implementation of the law.

2.2 Debate on the Bill

The National Council thoroughly deliberated on the Road Bill of Bhutan 2012 on 15/02/2013 and 20/02/2013, and made the following amendments and changes which shall be submitted to the National Assembly for re-deliberation.

Title of the Bill

Road Bill of ~~The Kingdom of Bhutan 2012~~ **2013**

Preamble

WHEREAS, ensuring balanced socio-economic development in the country is key to promoting social justice and equity;

WHEREAS, it is imperative to establish and maintain an efficient road network system to enable balanced socio-economic development;

WHEREAS, it is expedient to set standards for road construction, and establish clear delineation of roles and responsibilities of governmental bodies at

various levels and road users to manage and administer efficient road network system;

Parliament during its...Session, do hereby enact the Road Act **of Bhutan 2013** ~~2012~~ on this ... day of the ... month in the year of **Water Female Snake** ~~Female Iron Rabbit~~ corresponding to the ... day of the ... month of the year **2013** ~~2012~~ as follows:

Section 1 (1)

be called the Road Act of Bhutan ~~2012~~ **2013**;

Title of Section 12

~~National Road Authority~~ **Authorities**

Title of Section 13

~~Coordinating road agency in a local government~~

Section 15

The Department of Roads or a Local Government in whose area ~~the path or way~~ **of jurisdiction the road** is located shall, by a notification, declare a road, under this Act over or on any land or water and name such road or change the name of any road.

Section 18

~~Without prejudice to the foregoing provisions, an order under section 15 above in relation to naming or changing the name of any road shall require approval from the Department of Roads.~~

New Subsection after Section 20(13)

Ensure that minimum inconvenience is caused to the road users during the construction and maintenance works.

Section 20(16)

Install ~~informatory~~ and warning signs way before the actual construction or maintenance/repair site to notify motorists and pedestrians of any potential hazards.

New Subsection after Section 20 (16)

Install and maintain informatory signs along the road to provide motorists and pedestrians necessary information.

Two New Subsections after Section 20 (17)

- A. Carry out the construction, maintenance and improvement of roads, walkways, footpaths, cycle tracks, subways, footbridges, over bridges, and other public amenities.**
- B. Develop criteria for different classification of roads and accord approval for up-gradation proposal.**

Section 21 (1)

Formulate, endorse and **submit** subsidiary road plans within their jurisdiction to the National Roads Authority to be incorporated in the road master plan.

Section 21 (5)

Carry out the construction, maintenance and improvement of roads, walkways, footpaths, cycle tracks, subways, footbridges, over bridges, **and other public amenities.**

New Subsection after Section 21 (5)

Ensure that minimum inconvenience is caused to the road users during the construction and maintenance works.

Section 21 (8)

... enter into agreements with owners of land adjoining a road for the purpose of carrying out or discharging ~~its~~ **its** functions in relation to roads.

Section 21 (13)

Install ~~informatory~~ and warning signs way before the actual construction or maintenance/repair site to notify motorists and pedestrians of any potential hazards.

New Section after Subsection 21 (13)

Install and maintain informatory signs along the road to provide motorists and pedestrians necessary information.

New Section after Section 24

Construction of private road through private land shall be allowed in order to connect to adjoining land with the consent of and upon the payment of reasonable compensation to the affected land owners.

Section 33

Powers as respects **with respect to** roads that join or cross Thromde and Dzongkhag roads.

Section 35

The Department or a Local government concerned, in pursuing to construct a new road, **shall** ~~may~~ give notice of its proposals to, and consider any representation of every Dzongkhag Tshogdu through whose area the highway will pass and for a road in a Thromde or a Dzongkhag, the residents of a locality through whose area the road will pass.

Section 36

Amended in Dzongkha

Section 37

In pursuance of Section 34, the Department ~~or a Local government~~ may engage any firm, company or a corporation registered in accordance with the Construction Development Authority Act, to carry out any road works or enter into concession agreements with any corporation/company or a business entity, whether local or foreign or both.

New Section after Section 37

In pursuance of Section 34, the Local Government may engage any local firm, company or a corporation registered in accordance with the Construction Development Authority Act, to carry out any road works or enter into concession agreements with any corporation/company or a business entity.

Section 38

The Department ~~or a Local government~~ **shall** ~~must~~, before considering entering into a concession agreement under Section 37, consult the Ministry and seek approval of the scheme and terms of concession **with foreign company**.

Section 40

The Department may in consultation with National Land Commission Secretariat lease ~~any government~~ land to the concessionaire, if it is necessary and expedient to do so for the purpose of exercising its functions under the agreement.

Section 46

The rules and regulations may provide for **but not limited to** the following provisions to be included in the toll order:

Section 46 (3)

The ~~maxima~~ **maximum** tolls that may be levied by the Department or a local government or by a concessionaire for different description of vehicles and the amount is to be varied in accordance with a formula specified in the order;

Section 51

The Department or a local government, may on or by the side of a road managed by it, construct and maintain cycle tracks as part of the road ~~or on any land whether government or otherwise.~~

Section 53

The Department of Roads or a local government may construct, ~~install lights and maintain subways under a road,~~ **and shall install and provide adequate lighting** so as to protect the pedestrians from dangerous traffic along a road or for making the crossing less dangerous, and in doing so it may alter, remove or close temporarily any such subways.

Section 54

The Department or a local government ~~may~~ **shall** install ~~lights~~ **and provide adequate lighting**, construct and maintain a bridge over a road to protect pedestrians along road from any danger or for making the crossing easier.

Section 59

~~Without prejudicing the foregoing provisions, a footpath in a Thromde may be created by an agreement with the land owners.~~

Title of Section 63

Footways for **along** Roads

Section 64

The Department or a local government may provide and maintain such barriers, rails or fences as they consider necessary for the purpose of safe guarding the pedestrians using the footways ~~on~~**along** a road **side**.

Section 66

The Department or a local authority ~~government~~ **may shall** pay compensation to any person who sustains damage due to execution of the works under section 63, 64 and 65 above.

Section 68

A walkway may be created by an agreement which may be entered into by a local government with any person owning the land on which a building is proposed to be situated, **or with a person owning whole or part of a building** for providing ways over, through or under parts of the building, or the building when constructed, as the case may be, or parts of any structure attached, or to be attached, to the building.

New Subsection after Section 73 (14)

Any other road maintenance or improvement activity as deemed necessary by the Road Authority.

Section 77

The Department ~~may~~ shall provide for picnic sites with scenic lookouts or scenic lookout sites on any land adjoining a road or in the vicinity of a road for motorists and others likely to use the road with space for parking vehicles and a means of access to and from a road.

New Section after Section 77

The Department or a local government shall ensure proper maintenance and safety of public amenities at all times. In the event of any accident owing to poor maintenance of the amenities, the concerned authority shall be held responsible.

Section 78

The Department ~~may~~ shall develop environmental friendly recreational infrastructures with local materials adorned with traditional architectural features on a road picnic and/with scenic lookout sites for the purpose of providing all or any of the following:

Section 85

Where any of the functions of the Department as respects ~~with respect to~~ a picnic area is delegated to a local government or any other authority, that local government or authority:

Section 87

The Department shall provide on any **government** land adjoining a road or in the vicinity of a road or a proposed road, freight area for use of all or any of the following purposes:

Section 91

A local government may provide bus shelters and queue barriers on **government** ~~any~~ land adjoining or in the

vicinity of a road for enabling road users to wait for or transfer from one transport to another.

Section 95

A notification under section 94 above shall require the approval of the Department ~~in the case of a footway.~~

Section 97

A local government may for providing a shorter or more spacious path or way, divert the path or way across **government** ~~any~~ land by a notification and:

Section 105

- (1) ~~to~~ the need, if any, for a means of access from the road to different places on those premises; and
- (2) ~~to~~ any roads, paths or other ways on those or other premises which are or will be capable of providing.

Title of Section 112

Amended in Dzongkha

Title of Section 117

Damage to footpaths in a street~~s~~ by excavations

Section 118

A person shall not without any lawful authority, **wilfully** ~~or excuses,~~ obstruct the **free** ~~fire~~ passage of traffic along the road, footways, footpaths **and walkways.**

Section 120

A person shall not park any ~~motorized~~ vehicle on a carriageway of a road or a street or a part of a road or a street which is not authorized for parking.

New Subsection before Section 122 (1)

A formula to provide basis for charging parking fees/charges

Section 122 (1)

~~maxima~~ **maximum** amount of parking charges for different description of vehicles;

Section 127 (1)

To the concerned authority where the works are likely to affect water supply system or the sewage system, ~~that authority;~~

Section 146

The right of way for all National Highways shall be **30ft from the centerline of a road on either side.** as follows:

- (a) ~~For single lane it shall be 50ft from the centerline of a carriageway on either side of road.~~
- (b) ~~For a double or four lane highway, it shall be 50 feet from the center of the carriageway of the side lanes.~~

Section 152

The road right of ways shall not apply to permanent settlements inhabited along highways prior to the commencement of ~~this Act~~ **the Road Act of the Kingdom of Bhutan 2004.**

Section 154

Amended in Dzongkha

Section 155

The Department or a local government may acquire lands and interest in lands for right-of-ways on prior approval of the government and it may in so doing, enter upon and take possession of such lands or interests in lands ~~by purchase~~ **as per the Land Act.**

Section 156

The authority granted by ~~this subsection~~ **under Section 155** shall also apply to lands and interests in lands received from the government and owned or held by corporations and non-government organizations.

Section 157

Retain as in the Draft Bill

Title of Section 159

Amended in Dzongkha

Section 166

~~The provisions of this section~~ **Sections 159 to 165** shall not apply to the Department or a local government exercising its functions under this Act for purposes related to the construction, widening and maintenance of roads, highways, cycle tracks, walkways or footpath.

Section 167

Notwithstanding anything under Section 154 ~~above~~, if the land is not otherwise acquired under section 155 and 156 ~~above~~, lands falling within the road right of way may be used for agricultural **and other** purposes ~~and such other purpose related to agricultural activity only~~.

Section 168

Section 167 above does not in anyway permit the construction of any structure ~~even if it is related to agricultural purposes~~, **without approval from the government**.

Section 169 (2)

for the construction, ~~and~~ improvement **and diversion** of cycle tracks and footpaths or walkways;

Section 169 (3)

for public sanitary conveniences, passenger waiting sheds, parking of heavy goods vehicles and open area structures associated to it, **bus shelters and queue barriers**;

New Subsection after Section 169 (7)

Leasing of land to Concessionaire.

New Section (A) after Section 169 inserted by National Assembly

National Assembly's Amendment Not Accepted

New Section (B) after Section 169 inserted by National Assembly

If a thram holder ~~has less than 2 acres of land and if more than 10 decimal has to be used~~ **loses land** for the construction of farm roads, the government shall provide land substitution or compensation. **This shall apply to all thram holders who have lost land for farm road construction since the commencement of the Land Act 2007.**

New Section after Section 169

The Department or local government shall reassess the valuation of the land acquired after the construction of road works for the purpose of further compensation if required.

Title of Section 203

Amended in Dzongkha

Title of Section 216

Retain as in the Draft Bill

New Subsection under Section 219

With the existing laws on environment with regard to the use of explosives and dumping of materials.

Section 231

The following acts and omission shall constitute an offence under this Act and shall be liable to fines and penalties **as prescribed** under the rules and regulations:

Section 232 (2)

Accepts NA's Amendment, but to move 232 (2) (a) under Section 234

Section 232 (3)

~~Felony of the 4th degree for **Misdemeanor**~~

- ~~a) constructing a bridge over a road, stream or river without approval;~~
- ~~b. constructing any access road without approval from the Department or a local government.~~

Section 233

Retain as per the Draft Bill

Section 234

Retain as per the Draft Bill

Two New Subsections under Section 234

- 13. Willful destruction of roads, bridges, bus shelters, queue barriers, public conveniences including lavatories;**
- 14. Constructing a bridge over a road, stream or river without approval**

Section 236

In relation to any offence under ~~section above~~ **this Act Section 231**, ~~if an offence is continued~~, the person committing the offence shall be liable for further penalties and fines as may be prescribed in the rules and regulation. ~~and may cause the unlawful works to be demolished.~~

Section 237

In addition to any fines and penalties imposed under the rules and regulations, a person who has committed any of the offence under **this Act section 231** above, shall be liable to **demolish or** reinstate the road or the road infrastructure or pay for the expenses reasonably incurred by the Department or a local government for any damage or loss caused to the road or road infrastructure including footpaths, footways, walkways, plants, shrubs and trees etc.

Section 250 (17)

Retain as in the Draft Bill

Section 250 (23)

“Local government” ~~means governments other than a~~ ~~Geowg Tshogde~~ as defined under the Local Government Act 2009;

Section 250 (28)

- (c.) A person in a non-motorized wheelchair **or pram**; and
- (d.) A person pushing a non-motorized wheelchair **or pram**; and

Section 250 (35) (c)

A **passage** ~~place~~ to which the public have right of **way** ~~passage, whether as of right or not~~; and

Section 250 (36)

Amended in Dzongkha

Section 250 (50)

Retain as in the Draft Bill

3. Re-deliberation on the Contract Bill of Bhutan 2012

The Contract Bill of Bhutan 2012 was deliberated at length by the National Council during its 9th session and sent to the National Assembly with 12 amendments, changes and new sections in accordance with the provisions of Article 13.5 of the Constitution of Bhutan. The National Assembly had thoroughly deliberated on the Bill during its 10th session and made 2 amendments which the National Council had received for re-deliberation in accordance with the provisions of Article 13.7 of the Constitution of Bhutan.

The National Council had accepted all the amendments made by the National Assembly, and resolved submit the Bill to His Majesty the Druk Gyalpo for Assent in accordance with the procedures for adoption of Bills so that the Contract Bill of Bhutan becomes an Act.

3.1 The following sections amended by the National Assembly had been accepted by the National Council

Preamble

Parliament of Bhutan do hereby enact the Contract Act of Bhutan 2013 on the.....Day of theMonth of Water Female Snake Year of the Bhutanese Calendar corresponding to theDay of....., 2013 at its 10th session of the First Parliament as follows:

Section 2

This Act shall supersede **sections 285 and 286 of the Penal Code of Bhutan, 2004 and the Penal Code of Bhutan Amendment Act 2011, and** any custom or usage of trade relating to contracts in the Kingdom of Bhutan to the extent that such custom or usage is inconsistent with this Act. This Act, shall not, however, affect any right, title or interest accrued or any liability, obligation or responsibility incurred under such custom or usage prior to the coming into force of this Act.

(Monday, 25th February 2013 corresponding to the 15th Day of the 1st Month of Water Female Snake Year)

4. Re-deliberation on the Alternative Dispute Settlement Bill of Bhutan 2012

The Alternative Dispute Settlement Bill of Bhutan 2012 had been thoroughly deliberated by the National Council during its 9th session and sent to the National Assembly with 24 amendments, changes and new sections in accordance with Article 13.5 of the Constitution of Bhutan. The National Assembly had thoroughly deliberated on the Bill during its 10th session and made 18 amendments which the National Council had received for re-deliberation in accordance with Article 13.7 of the Constitution of Bhutan.

The National Council accepted all the amendments made by the National Assembly, and resolved to submit the Bill to His Majesty the Druk Gyalpo for Assent in accordance with the procedures for adoption of Bills so that the Alternative Dispute Settlement Bill of Bhutan becomes an Act.

4.1 The following sections amended by the National Assembly had been accepted by the National Council

Preamble

Parliament of the Kingdom of Bhutan do hereby enact the Alternative Dispute Resolution Bill of Bhutan 2013 on theDay of theMonth of Water Female Snake Year of the Bhutanese Calendar corresponding to theDay of the.....Month.....at its 10th session of the First Parliament as follows:

Section 1(3)

Extend to the whole of the Kingdom of Bhutan or otherwise within the jurisdiction of Bhutan.

Section 3

Saving

~~This Act shall not affect any provisions of laws in force in Bhutan relating to alternative dispute resolutions.~~

This Act shall repeal any provisions of laws in force in Bhutan relating to alternative dispute resolution. However, this Act shall not affect any provisions of Local Government Act and its rules and regulations.

Section 10

Amended in Dzongkha text

New section after section 15

The Chief Administrator and the employees who are civil servants shall resign from the civil service upon appointment to the centre.

Title before Section 26

~~Accountability~~ **Report**

Section 31

Amended in Dzongkha text

Section 33

A party who knows that any provision or requirement under this Chapter has not been complied with by the other party, the Centre or arbitral tribunal and yet proceeds with the arbitration without promptly stating his or her objection to such non compliance, shall be deemed to have waived right to object.

Section 34

For the purpose of this Chapter:

Section 34 (3) (a)

Contained in a document signed by the parties;

Section 54

The parties are free to agree on the procedures for the appointment of the arbitrator or arbitrators in accordance with this Act.

Section 75

The mandate of an arbitrator may be terminated if:

1. ~~He or she is unable to perform functions;~~ **Upon finding inefficient or incapable of performing his or her duty;**
2. ~~He or she is unable to perform functions without delay.~~ **Upon finding misbehavior or irregularity in the discharge of his or her functions;**
3. **If** he or she withdraws from the office;
4. **If** the parties agree to terminate; or
5. In other cases of termination of the arbitrator.

Title before section 97

Amended in Dzongkha text

Section 97

Amended in Dzongkha text

Section 128

Amended in Dzongkha text

Section 136

An award on agreed terms shall be made in accordance with the provisions of sections, 137, 138, 139 of this Act and shall state that it is an award. Such an award has the same status and effect as any other award on the merits of the case.

Section 139

The award shall contain the reasons, date and the ~~seat~~ **venue** of the arbitral tribunal, and each party and the Centre shall be given a copy of the award.

Section 183 (11) (To be inserted after section 164)

“Negotiated Settlement” means a process, whether referred to by the expression ‘conciliation’, ‘mediation’ or an expression of similar import, whereby parties request negotiator to assist the parties to settle dispute arising out of or relating to a contractual or other legal relationship, amicably.

Note:

- a. For consistency purpose in the Bill, the word “within ten working days” to be inserted in sections 39, 41, 42, 59, 70, 73, 87, 147 and 154.
- b. Use of numeric number such as “10 working days” may be replaced by “ten working days”

(Wednesday, 13th February 2013 corresponding to the 3rd Day of the 1st Month of Water Female Snake Year)

D LEGISLATIVE ISSUES (INTERNATIONAL AGREEMENTS)

1. Introduction of the Agreement on Establishing the SAARC Seed Bank

The Member-in-Charge of the Agreement on Establishing the SAARC Seed Bank, the Hon'ble Minister for Agriculture and Forest said that the need for establishment of a Seed Bank in the SAARC region was discussed during the 37th Standing Committee Meeting held in Thimphu on 27th April 2010. This was followed by the directive of the 16th SAARC Summit on the need for adoption of the Regional Seed Bank Objectives, Investigation and Certification of Seed Varieties, Tools for Green Plants Nomenclature, and Framework for Transportation of Seed Varieties at the earliest.

Accordingly, a meeting was held among government experts of SAARC countries at Dhaka, Bangladesh from 15th to 16th February 2011 where Framework for the Regional Seed Bank and Framework for Tariff Transfer were finalized which was endorsed on 3rd March 2011 during the SAARC Agriculture Ministers' Meeting. The actual Agreement was signed on 11th November 2011 at Addu, Maldives.

The objectives of the Agreement on Establishing SAARC Seed Bank were to provide regional assistance in preservation of national seed varieties, solve regional problems on seed shortage through integrated methods, enhance cooperation between member countries, ensure use of quality seed for better yield by using different

varieties of seed, and for member countries to work together towards regional seed preservation.

Benefits from having the seed bank include availability of quality seed at negotiated price and harmonized rules of procedures for investigation and certification of seed varieties. The responsibilities of Bhutan include sharing proportionate expenses for running the business of the Seed Bank with other member countries, and generally maintaining a minimum of 1% seed reserve in the Seed bank.

As per the provisions of Article 16 of the Agreement, the Agreement comes into force once the SAARC Secretary General issues a notification after the conclusion of all formalities including ratification of the agreement by all member countries. Therefore, the Agreement was being submitted to the Parliament of Bhutan for ratification.

Hon'ble Kuenlay Tshering expressed his appreciation on the signing of such an agreement within the South Asian region. He pointed out that since the Agreement was initially drafted in English, certain sections of the translated Dzongkha text needed amendment. The wording in the title of the Agreement should be changed from “ཆེངས་ཡིག” to “གན་རྒྱ”. He asked as to what the term ‘Cabinet’ under Article 15.2 referred to. He also pointed out that in the English text, Article 13.4 referred to Agriculture Minister while the Dzongkha text referred to Agriculture Ministry. The Hon'ble Minister for Agriculture and Forest said that “Cabinet” referred to the cabinet within a country. He also clarified that the reference to Agriculture Ministry in the Dzongkha text was wrong, and that Agriculture Minister in the English text was correct.

The Hon'ble Member of Pemagatshel Dzongkhag said that while Article 6.3 of the Agreement stated that the share allocation from the Seed Reserve was as per Schedule 1, the schedule did not provide any clear share allocation. Therefore, he asked how the allocations would be carried out initially. The Hon'ble Minister for Agriculture and Forest clarified that such limitations would be fixed only after the establishment of the institution and its rules of procedures once the Agreement was ratified by all the member countries.

1.1 Deliberation on Ratification of the Agreement

The National Council deliberated on the Agreement on Establishing SAARC Seed Bank Article by Article and ratified it in accordance with Article 10.25 of the Constitution of Bhutan. While there were no contextual amendments, some wordings in the Dzongkha text were changed to make the meaning consistent with the English text.

2. Introduction of the SAARC Agreement on Implementation of Regional Standards

The Member-in-Charge of the SAARC Agreement on Implementation of Regional Standards, the Hon'ble Minister for Works & Human Settlement said that the agreement was aimed at promoting integrated trade and commerce among the member countries. The agreement was signed by the Foreign Ministers on 11th November 2011 at Addu, Maldives.

The main objective of the agreement was to bring up the standards of goods manufactured in each member country with that of the SAARC standard and promote free trade among member countries. Subsequently, the

SAARC standard would be integrated with of the World Trade Organization standard to enable trade beyond the SAARC region. Furthermore, the agreement provided avenues to amend the standards within a member country after justifying to other members in the event that such amendment became necessary due to change in policy arising out of security reasons.

Since the socio-economic development of the country would greatly benefit by the agreement through development of trade and commerce, the agreement was introduced to the Parliament for ratification.

Hon'ble Karma Yezer Raydi said that the standards were of two kinds, one for goods and the other for services. While the standards regarding goods were clear in the agreement, he enquired whether the standards for services were included as well. The Hon'ble Minister for Works and Human Settlement said that the standards for services were also included in the agreement.

2.1 Deliberation on Ratification of the Agreement

The National Council deliberated on the SAARC Agreement on Implementation of Regional Standards Article by Article and ratified it on 18/02/2013 in accordance with Article 10.25 of the Constitution of Bhutan. While there were no contextual amendments, some wordings in the Dzongkha text were changed to make the meaning consistent with the English text.

3. Introduction of the SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment

The Member-in-Charge of the SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment, the Hon'ble Minister for Works and Human Settlement, said that the agreement was aimed at ensuring the quality of commercial goods within the SAARC countries, and assist in the development of trade activities in individual countries, without such goods having any adverse affects on environment, security, health, hygiene and people involved in trade. The agreement was signed on 11th November 2011 at Adu, Maldives.

Moreover, the agreement was on how to effectively put the SAARC standard into practice. In general, the agreement provided for how to uniformly put the standard into practice in conformity with other member countries and, in particular, the use and practice of the standards within each country. The application of the standard was to ensure that member countries rely on and trust the quality standards established within each member country.

The SAARC Standard Bureau and the Conformity Assessment Board under it would monitor the quality and standards of member countries. Within each member country, monitoring would be done by agencies established for that purpose. In Bhutan, the Standard Bureau would be monitoring the quality of goods, while the standards set by the Bureau would be monitored by a committee called the Conformity Assessment Unit.

Except for the registered goods, all other goods manufactured within a country would not be monitored. In case, the conformed standards in a country contravened security related policies, the standards could be amended after providing proper justifications to other member countries.

Hon'ble Karma Damcho Nidup enquired about the kinds of goods that were registered in Bhutan. She also said that the Conformity Assessment Unit which would monitor the standards and quality must be represented by qualified individuals, and asked if Bhutanese experts were identified. The Hon'ble Minister said that no goods were registered in Bhutan because the agreement was yet to be ratified by the Parliament. He also pointed out that due to lack of expertise, the Conformity Assessment Unit could not be instituted.

3.1 Deliberation on Ratification of the Agreement

The National Council deliberated on the SAARC Agreement on Multilateral Arrangement on Recognition of Conformity Assessment article by article and ratified it on 18/02/2013 in accordance with Article 10.25 of the Constitution of Bhutan. While there were no contextual amendments, some wordings in the Dzongkha text were changed to make the meaning consistent with the English text.

(Wednesday, 20th February 2013 corresponding to the 10th Day of the 1st Month of the Water Female Snake Year)

4. Introduction of the SAARC Agreement on Rapid Response to Natural Disaster

The Member-in-Charge of the SAARC Agreement on Rapid Response to Natural Disaster, the Hon'ble

Minister for Home & Cultural Affairs, said that the destruction caused by natural disasters in the SAARC countries was increasing year by year. In order to combat and prevent such calamities, experts from the member countries met to discuss the agreement on 25th and 26th June 2011. The agreement was later signed during the 17th SAARC Summit at Addu, Maldives, on 11th November 2011.

He said that the agreement was mainly for strengthening disaster response mechanisms, preventing natural disasters in the SAARC region and garnering foreign assistance in the event of a disaster. He, therefore, pointed out that the agreement was an important instrument for Bhutan.

The agreement had four parts comprising of General Provisions and background, Disaster Preparedness, Emergency Response, and Institutional Arrangements which were covered under 22 Articles. He said that the agreement was ratified by 7 SAARC member countries except for Bhutan. In view of the importance of the agreement, he urged the National Council to consider its ratification.

Hon'ble Kuenlay Tshering said that ratification of an international law was in accordance with the provisions of Article 10.25 of the Constitution of Bhutan and not in accordance with the Parliamentary Legislative Procedures. He said that Parliamentary legislative procedures was drafted by the National Council and submitted to the Office of the Attorney General. The wording in the title of the Agreement should be changed from “ཆེངས་ཡིག” to “གན་རྒྱ” and amendments should be made where Dzongkha and English text did not match due to translation errors.

The Hon'ble Minister for Home & Cultural Affairs said that most of the natural disasters in the country were due to fire. Though there were both manpower and resource constraints, the measures taken by the ministry were protection of communities and preservation of heritage sites. He said that each Dzongkhag was provided two fire fighting trucks and measures to prevent fire were put in place during renovation and reconstruction of Dzongs and Lhakhangs.

4.1 Deliberation on Ratification of the Agreement

The National Council deliberated on the SAARC Agreement on Rapid Response to Natural Disaster Article by Article and ratified it on 20/02/2013 in accordance with Article 10.25 of the Constitution of Bhutan. While there were no contextual amendments, some wordings in the Dzongkha text were changed to make the meaning consistent with the English text.

(Monday, 25th February 2013 corresponding to the 15th Day of the 1st Month of the Water Female Snake Year)

E REVIEW OF POLICY ISSUES

1 Report on Indian Rupee Shortfall

The Chairperson of the Economic Affairs Committee, the Hon'ble Member of Lhuentse Dzongkhag, said the main reason for carrying out the review on the Indian Rupee shortage was because the issue had become a serious economic concern in the country. Therefore, the National Council had, during its 8th Session, directed the Committee to carry out a thorough research on the issue and submit its report to the House during the 9th

Session. The Committee could not submit its report as required due to difficulties in getting relevant documents. However, the Committee had conducted a thorough review through consultation meetings with relevant institutions, ministries, agencies, and committee hearings with the Royal Monetary Authority and the Ministry of Finance.

The issue of Rupee shortage had started since 1993 and became a serious problem by November 2011 with a shortage of Rs. 14.4 billion. U.S Dollar 200 million was sold from the reserve and a debt of Rs. 10.29 billion was repaid. However, the problem could not be resolved, and according to the statistic available in January 2013, national debt reached Rs. 17 billion, which was projected to further increase to Rs. 20.348 million within 2017 and 2018 thus making the economic situation in the country a serious cause of concern and challenge.

The Government recognized weak fiscal policy, negative trade balance, high rate of import, uncertain consumer base, numerous planned activities and increased debt were the causes of Rupee shortfall. In March 2013, the government took various initiatives, such as administrative and policy measures, banning the purchase of certain goods, stopping construction loans, and mainstreaming rupee disbursement were taken to resolve and prevent the problem. However, since the problem was not resolved, the Economic Affairs Committee of the National Council conducted its own independent review and prepared the report that was submitted.

The Hon'ble Member of Samdrupjongkhar Dzongkhag said that the problem of rupee shortage in the country

had not only affected economic development activities in the country but could also impinge on nation's security and sovereignty. He said that instead of the government and the institutions playing the blame game; economic configurations and issues should be identified, and institutions and agencies responsible for the lapses should be held accountable. While some eluded the causes of Rupee shortage to the numerous hydro electric projects initiated by the government, the Ministry of Economic Affairs argued that since the expenditure incurred for the projects were directly financed by the Government of India, the Hydro Projects was not the cause for Rupee shortage. However, a lot of machineries necessary for the projects and fuel for running those machineries had to be imported, the mega projects indirectly contributed to the problem of rupee shortage.

The Hon'ble Member of Mongar Dzongkhag said that the Royal Monetary Authority Act 2010 mandated the Authority to manage the monetary aspect of the country's economy. Prior to the Act, the Minister and Secretary of the Ministry of Finance were the Chairperson and Deputy Chairperson of the Royal Monetary Authority respectively, and while they were responsible for solving the problem of rupee shortage, the issue had never been discussed as a priority and, equally, no measures were taken to prevent the shortfall.

Further, the Economic Affairs Committee, after having studied the few resolutions of the Royal Monetary Authority Board Meetings held since 2007, found that shortage of rupee as a major issue was never discussed but taken as a peripheral matter under Any Other Business. Therefore, the impression was that no major

measures had been taken to curb the problem. The issue had also not been specifically discussed by the Macroeconomic Framework Coordination Committee.

The Hon'ble Member of Pemagatshel Dzongkhag said that economic institutions such as the Royal Monetary Authority and Ministry of Finance had given priority to Dollar and Euro over Indian Rupee while managing the foreign currency reserve. Considering its easy availability, the Rupee was not even considered a foreign currency, and it seemed that the different foreign currencies were treated in a discriminatory manner. To prevent such problems, henceforth, both Dollar and Rupee should be considered equally important. It was found that not only manufacturing industries were growing in the country, but the number of illegal manufacturers had also increased. However, the Royal Monetary Authority and the Ministry of Finance had not submitted any clear reports on the annual balance of payment, revenue from export and the expenditure on import of construction materials. Therefore, the actual rupee spending could not be properly ascertained.

The number of loans disbursed by the financial institutions in the country had increased substantially, with the construction loans in particular increasing the demand for rupee. There was no proper coordination between the concerned institutions while drafting the country's economic policies. The country had just one Macroeconomic Framework Coordination Committee but the members had neither the expertise in economic policy nor the decision making authority, which, in itself, was a major problem.

Therefore, the Economic Affairs Committee proposed to make the following six recommendations to the Government:

1. Establishment of a robust coordination mechanism to enable better working relationship between the financial institutions,
2. Formation of a high level committee under the Prime Minister's office to ensure such coordinated action,
3. The high level committee to review economic policies from time to time and submit its recommendations to the Government,
4. In order that the concerned officials of the committee performed their functions effectively, a member of the board should not be a member of more than five boards.
5. The Royal Monetary Authority should employ competent manpower and, in future, one of the Deputy Governors should be a financial expert.
6. The Royal Monetary Authority to control loans through sound monetary policies and the Government through fiscal policies in the form of taxation to curtail consumer expenditure.

However, to solve the housing problem in the country, the ban on construction loans should be reconsidered and made available. Further, the Ministry for Economic Affairs should establish an effective system to monitor the outflow of sales proceeds and import payments of industries and businesses in the country.

With regard to responsibility shifting, it was recommended that accountability should be fixed on the RMA and responsible Government agency, whichever the case may be.

1.1 Deliberation on the Report

The Hon'ble Member of Haa Dzongkhag said that cardamom should be auctioned like other cash crops such as potatoes in order to solve the problem of rupee shortage, and farmers in the rural areas should have access to loan amounts at par with that of town residents. The Hon'ble Member of Zhemgang Dzongkhag said that the reason why a board member became ineffective in completing the work of one board on time as s/he was a member of various other boards. She suggested that the Royal Monetary Authority must conduct task related audit. She also said that during such an economic downturn in the country, economic policies needed to be properly reviewed.

Similarly, the Hon'ble Member of Wangduephodrang Dzongkhag said that the foreign currency reserve management should be changed so that the balance from a year's expenditure was used to repay the debt to India. The Hon'ble Member of Gasa Dzongkhag said that as per the recommendations, the RMA Board should be held accountable, and the date from when the accountability should be fixed must be ascertained. He also asked what mechanisms were in place for fixing accountability and transparency to ensure that important documents were made available to the Parliament for reference in future.

The Hon'ble Member of Sarpang Dzongkhag said that the responsibility of solving such problems did not fall solely on the Government and Royal Monetary Authority, but on every Bhutanese. Therefore, everyone must bear responsibility jointly. The Hon'ble Member of Dagana Dzongkhag said that housing loans should be prioritized and resumed, and asked if such loans

applied to Thromde B. He said equitable and balanced development should be carried out in all the Dzongkhags.

Hon'ble Kuenlay Tshering said that the quality of all development activities should be ensured right from the start so that the country's recourses were not wasted. Instead of freezing housing loans, other measures should be explored to prevent shortage of rupee. The Hon'ble Deputy Chairperson said that one such alternative measure was the notification issued by the Ministry of Finance some years ago which required use of local resources to build basic infrastructure in the country. He said such measures must be followed to prevent the out flow of money and promote the traditional designs and practices. Since there was no requirement of procuring materials from outside for constructing houses in rural areas, housing loans should not be stopped. Even in towns, traditional houses could be built instead of concrete buildings, which would foster construction opportunities without affecting the rupee situation.

After deliberating at length, the National Council resolved to submit the following recommendations to the relevant Ministries and institutions:

1. Establish robust economy coordination mechanism.
 - a. Government to revise number of members and qualification required for boards and ascertain the number of boards, a senior civil servant can be member of.
 - b. Royal Monetary Authority to conduct performance audit on constitution and performance of board of directors of various boards.

- c. Prime Minister's office to take lead role in establishing a high level economy coordination committee with the ff mandates.
2. Fix accountability on:
 - a. Boards of directors of Royal Monetary Authority from June 2007;
 - b. Royal Monetary Authority management; and
 - c. Ministry of Finance

Cabinet Secretariat to submit a report on fixing accountability to the second Parliament.

3. Address capability deficit at the Royal Monetary Authority;
4. Propose stronger fiscal measures;
5. Need for an effective monitoring mechanism from Ministry of Economic Affairs;
6. Provide prioritized lending on constructions where there is shortage of housing and where constructions require minimum import of construction materials;
7. Government to ensure that all public institutions/agencies to share all information required by Parliament as per existing laws; and
8. The foreign exchange reserves, in excess of that required by the Constitutional requirement of 12 months essential imports, may be utilized to address Rupee needs since it is not practical to hold dollar reserves at nominal interest rates while borrowing INR at higher rates ranging from 5-10.5%.

2. Report on Impact Assessment of Mining Activities in Bhutan

The Chairperson of the Environment and Natural Resource Committee, the Hon'ble Member of Samtse

Dzongkhag said that the Report on the Impact Assessment of Mining Activities in the country was submitted in line with the resolution of the 9th Session of the National Council. The terms and conditions of the research were to assess the mining areas in the country, impact of mining activities on the economy, society and environment; and to study the prospect of centralizing mining. In general, there were not many institutions in the country equipped to undertake such works, and the time for carrying out the research was quite limited. Therefore, he thanked the Royal Society for Protection of Nature for carrying out a detailed research and submitting its report. He also thanked the relevant institutions, corporations, private entrepreneurs and staff of the National Council Secretariat who were involved in carrying out the research.

The Hon'ble Member of Haa Dzongkhag said that according to the assessment report, mining and quarrying activities had escalated within the past thirty years. At present, there were 28 mines and 46 quarries covering 3870 acres of land which were mostly owned by the private sector. The mining areas were mostly located in the western areas such as Samtse, Wangduephodrang, Thimphu and Paro. However, due to lack of proper monitoring and control, 42% of the people involved in mining activities had contravened the relevant laws.

While the general public considered such activities to be profitable, research carried out in 31 areas revealed that 14 firms reported their activities as profitable while 9 firms reported their activities as unprofitable. The rest were uncertain since proper documents were not maintained. While 61% of the job opportunities were availed by Bhutanese citizens, those were non-

permanent in nature and hence lacked job security. Mining activities also had adverse effect on the country's economy, society and the environment. While the government had the rights over mining and quarrying activities, the profits went to the pockets of few private companies, leaving the people and the government not deriving any direct benefit and revenue.

While mining and quarrying activities were generally carried out by the government as well as the private sector in other countries, the ownership rights over mining and environment in Bhutan was vested with the government in accordance with the provisions of the Constitution of Bhutan. Therefore, the people should utilize the resources in accordance with the relevant laws. In case the use of mines had to be centralized, proper research and review must be undertaken prior to making any decision. However, since mining and quarrying activities were not renewable, there were future risks of natural disasters due to the country's topography.

Therefore, the Government needed to conduct a thorough research on the mineral deposits in the country and the relevant agencies, Departments, Dzongkhag and Gewog administrations should be held accountable for managing such public resources. The National Environment Commission must study and review the socio-economic and environmental impacts of such activities, explore possible measures to reduce the impacts, and maintain and update reports on regular basis.

2.1 Deliberation on the Report

The Hon'ble Member of Gasa Dzongkhag said that 42% of mining and quarrying firms had not abided by laws governing such activities. In order to monitor such defaulting firms, he said that relevant Commissions and Departments should ensure that laws were properly implemented and, in case, their actions were constrained by manpower shortage, they should sort out the matter as a priority. He suggested that till such time the government had carried out proper research and review on mining; issuing of licenses for mining and quarrying should be suspended and foreign direct investment not permitted.

The Hon'ble Member of Pemagatshel Dzongkhag said that the report would indicate that the mining and quarrying firms had not declared their income properly. He said that the Ministry of Finance and, in particular, the Department of Revenue and Customs should affix the accountability of such erring firms.

After thorough deliberation, the National Council resolved to submit the following recommendations to the Government and relevant institutions:

Recognizing the principle of intergenerational responsibility as enshrined in the National Environment Protection Act 2007, which also emphasizes on '*The Middle path strategy*' to balance economic development with environmental conservation.

Realizing that the Mines and Minerals Management Act 1995 mandates all mining and quarrying to be carried out in a scientific manner and the mining companies are required to carry out progressive restoration of the

mined areas during operation of the mine or quarrying to minimize negative socio-economic and environmental impacts, and,

Further recognizing that the Environmental Assessment Act 2000 requires the National Environment Commission Secretariat to report to the National Environment Commission on the implementation and enforcement of the Act on annual basis;

The National Council calls upon the Government to:

1. Prioritize on conducting a detailed geological mapping of the country before embarking on further mining and quarrying activities.
2. Delineate clear responsibility among various agencies involved in leasing, monitoring and supervising of mining and quarrying activities and hold them accountable for any lapses.
3. Revisit the existing policies, legislations, guidelines, standards for licensing, operation and management to ensure that mines and quarries are operated as per the provision of the laws.
4. Carry out cost benefit analysis and socio-economic and environmental impact of mining and quarrying.
5. Review the effectiveness of environmental restoration measures currently under practice. (For instance, talc mines which are abandoned are not restored or reclaimed as required by the law. If any company or individual leaves the mined area without restoring or reclaiming it, the burden falls directly on the government and indirectly on the general public.)
6. Ensure that all the mining and quarrying companies file the annual tax return properly and ensure proper co-ordination between Department

of Revenue and Customs and Ministry of Economic Affairs.

7. Include all the above and other measures necessary to carry out mining and quarrying activities in line with the middle path strategy and intergenerational responsibility as enshrined in the NEPA 2007 in the next annual report that National Environment Commission Secretariat is mandated to produce in order to inform the National Environment Commission and public at large as per the law for further consideration, and
8. Freeze issuing mining and quarrying licenses till all issues outlined above are resolved.

F REVIEW OF REPORTS

1 Public Accounts Committee Report 2012

The Chairperson of the Public Accounts Committee, the Hon'ble Member of Zhemgang Dzongkhag said that the PAC report was a review of the report submitted by the Royal Audit Authority and submitted in accordance with Article 25.6 of the Constitution. The report was divided into five parts - the performance report of 2008, 2009 and 2010; review report on the unspent budget for 2010 and 2011, review report on the implementation status of the resolutions in relation to the audit report submitted during the 9th Session of Parliament, audit performance report of the Royal Audit Authority and performance report of the Public Accounts Committee.

1.1 Performance Report till 2008, 2009 and 2010

The Public Accounts Committee had submitted its review report for 2008, 2009 and 2010 during the Ninth Session of the Parliament. After extensive deliberation,

Parliament had directed the Royal Audit Authority to resolve the unsettled issues for the years 2008, 2009 and 2010 as quickly as possible and submit a report to Parliament again.

From the total of Nu. 11.027 million which was unresolved in 2008, Nu. 10.919 million was recovered which was 98.94 percent; from the Nu. 83.61 million which was unresolved in 2009, Nu. 68.082 million was recovered which was 83.61 percent; and of the Nu. 415.25 million which was not resolved in 2010, Nu. 150.512 million was recovered which was 36.25 percent.

1.2 Report on Unspent Budget of 2010 and 2011

During the previous sessions of Parliament, the issues concerning unspent budget for 2010 and 2011 were extensively deliberated, and concerns and misgivings had been expressed. During the Ninth Session of the National Council, specific deliberations were held and the Public Accounts Committee was directed to review the cause of the issues and submit its findings.

The government had approved a total budget of Nu. 16,383.130 million for the fiscal year 2010-11 of which only Nu. 14,786.847 million was spent, while Nu. 1596.283 million remained unspent. The Public Accounts Committee, while reviewing the case found that unspent amount was mainly due to non receipt of funds from grants committed by donor countries on time. The government had temporarily used internal revenue to fund planned activities till the grants were received to ensure that those activities were completed on time. However, the grants were released during

subsequent fiscal years and, as such; the matter was not considered as a major problem.

1.3 Review Report on implementation of the Resolutions of the Ninth Session of Parliament

The Public Accounts Committee had submitted its report to the two Houses of Parliament separately during the 9th Session of Parliament. After extensive deliberation on some issues in the report, the Public Accounts Committee was directed to review some of the pertinent issues and submit its findings to Parliament again.

As per resolution No. 7 (c) of the 9th Session of National Council, the Government had leased land at Changjiji Trowa Theatre. However, the rents had not been collected. Moreover, arrangements had been made to sell the land to a private individual. The dispute had been deferred since the 7th Session. Since the pending case was executed without proper agreements between the Government and the private party, it had not only violated the Land Act but was considered a policy corruption case. The National Council had, therefore, directed the Anti-Corruption Commission to review the matter. The National Assembly had also directed that the issue be forwarded to the court in accordance with the laws of the country.

The Anti-Corruption Commission had investigated the case as directed by the resolution of the National Council, and had reported that the case did not involve policy corruption. The Royal Audit Authority was also currently auditing the procedures for lease of government land to a private individual. However, the Public Accounts Committee felt that the National Land

Commission should conduct a thoroughly review the matter and submit its findings during the next session of Parliament.

Similarly, resolution No. 7 of the 9th Session of National Assembly stated that the Royal Audit Authority's own audit statements were not included in its past reports, and directed the Royal Audit Authority to submit a complete report during the 10th session of Parliament.

1.4 Audit Performance Report of the Royal Audit Authority

With regard to the Revenue Accounting System, the Public Accounts Committee had received 3 reports from the Royal Audit Authority on information technology control, systems relating to hydro-power, and performance audit of constituency development grant. However, the Committee could not review those reports due to time constraints and not being able to submit its own report. The reports would be submitted during the next session of the Parliament.

1.5 Performance Report of the PAC during the First Parliament

Since Public Accounts Committees were recognized as important in all parliaments, as reported during the 5th Session of Parliament, the Public Accounts Committee Secretariat was established under the supervision of the Speaker of National Assembly. Since then, the Committee was working and functioning in accordance with Article 25.6 of the Constitution and carried out numerous activities for the benefit of the country and the people during its 5 year term. The pending unresolved accounts from 1981 to 2006 and of 2007

had been settled which was possible due to the support received from the Royal Audit Authority, Anti-Corruption Commission, Office of Attorney General, Royal Civil Service Commission and other concerned agencies.

The Public Accounts Committee of Bhutan was also a permanent member of the SAARC Public Accounts Committee that was established in December 2010. The 2nd meeting of the SAARC Public Accounts Committees was held in Thimphu. Moreover, the Secretariat of the SAARC PACs was headed by the Public Accounts Committee of Bhutan. The Public Accounts Committee was able to conduct several hearings with Government Agencies and Non-Governmental Organizations while carrying out its audit related reviews.

The Committee expressed its appreciation for the support and cooperation extended by the Auditor General, staff of the Royal Audit Authority, the Speaker, the Chairperson, Members of Parliament and various ministries for enabling it to carry out its reviews successfully.

Deliberations on the Report

The report of the Public Account Committee was endorsed by the National Council without further deliberation. The following recommendations were made to be submitted to the concerned Commission and agencies:

1. The anti-corruption commission made their submission denying involvement of policy corruption in the case of Changjiji Trowa theatre. However, the National Land Commission would be required to review the case for providing clear justifications and

submit a detailed report on the case in the first session of the Second Parliament.

2. The works not completed during the first half of 10th Five Year Plan were expected to be completed within the fiscal year. The mid-term review meetings indicated that while some of the developmental activities were already completed, the rest were nearing completion. However, it was mandatory to review all the developmental activities undertaken in the 10th FYP just like the previous plans. Therefore, all the Ministries, Constitutional offices, Corporations and Dzongkhags and Gewog administrations should be submitting their respective fiscal statement, nature of budget allocation and financial operation during the fiscal year 2010-11. Based on the experiences drawn from the fiscal year 2010 and 2011, and towards achieving the desired outcomes from the developmental initiatives by the Royal Government and other government agencies; the fiscal statement of the year 2010-11 must be incorporated with the statements of fiscal years 2011-12 and 2012-13.

G ANY OTHER BUSINESS

1. Report on the Use of Explosives

The Chairperson of the Social and Cultural Affairs Committee, the Hon'ble Member of Bumthang Dzongkhag, said that in trying to modernize Bhutan and owing to the rugged terrain of the country, numerous activities had to be initiated which required the use of explosives. However, owing to the absence of clear regulations and guidelines on the use of explosives which might harm the security and stability of the

country, the Social and Cultural Affairs Committee submitted its report for deliberation after consulting relevant stakeholders and carrying out research.

While there was an Explosives Rules of 1989 which was managed and implemented by the Bureau of Law and Order, Ministry of Home and Cultural Affairs; yet explosives of various kinds were readily available in the country. Therefore, the National Council and the Bureau of Law and Order jointly carried out a study on the authorized explosive dealers such as the State Trading Corporation of Bhutan and Rabden Private Ltd., the Dzongkhags using explosives, the Department of Mines, Hydroelectricity Projects and agencies constructing roads and found that the Explosive Rules were not strictly followed. Moreover, it was found that some agencies have formulated their own guidelines with regard to use of explosives.

The Hon'ble Member of Trashiyangtse Dzongkhag said that as per the study, the use of explosives had not been in accordance with the Rules that were in place. Therefore, certain sections of the Rules needed amendment. For instance, the status on the use of explosives was required to be reported to the Dzongkhag which was not followed. The Rules also restricted the vehicles carrying explosives from parking in public places and plying on town roads. The storage of explosives in police premises in Phuentsholing was also deemed risky. Further, the provisions in the Explosive Rules stating that 'penalties shall be imposed in accordance with the Thrimzhung Chenmo' required revision.

The general observation of the review indicated that the actual explosives imported were less than what was

shown in the invoices, for which proper measures should be adopted so that the entire explosives in the invoices were received. There was no clarity on who was responsible for handling explosives, as such, it was important for the Ministry of Home and Cultural Affairs to fix such responsibility either with the Dzongkhag or the Police. The Ministry should also identify people who handled explosives and monitored proper usage of such materials. There was no proper system for disposal of excess explosive materials once the works were completed, for which strong measures should be adopted by fixing accountability.

The Hon'ble Member of Trongsa Dzongkhag said that for proper use of explosives by the mining firms, monitoring should be initiated once information was submitted to the Dzongkhags. Further, competent authorities should train explosives handlers and only those with certificates should be allowed to handle explosives. Since the statistic of explosives brought into the country by Project Dantak was uncertain, the government must collaborate with Dantak and find ways to ensure that both parties were properly informed and records maintained. He said that in order to ensure safe storage of explosives, it was important to secure proper areas away from human settlement and such storage facility should be manned by armed security personals,

The Hon'ble Member of Wangduephodrang Dzongkhag said that explosives were mostly used in areas where hydro-power projects were constructed and had greatly affected the nearby villages for which they had not been compensated. Henceforth, where the use of explosives was really necessary, effective measures must be taken to minimize adverse affects on nearby settlements. Where houses and communities were affected by the

use of explosives, the projects using the explosives should take measures to pay compensation. In addition to monitoring the use of explosives, the Hon'ble Member of Paro Dzongkhag said that the quality of materials used for making explosives should also be properly examined.

After thorough deliberation, the National Council resolved to submit the following recommendations to relevant ministries and institutions:

1. The Bureau of Law and Order, Ministry of Home and Cultural Affairs, should carry out proper co-ordination with the RBP and the Dzongkhags and clearly define the roles and responsibilities of the respective organizations while dealing with explosives.
2. The following modalities should be considered to address issues pertaining to the use of explosives:-
 - a. The Bureau of Law & Order, Ministry of Home and Cultural Affairs, should clearly define and set the guidelines for import of explosives.
 - b. The Bureau of Law & Order should clearly define guidelines for disposal of left over explosives on completion of work.
 - c. The use of explosives should be reported to the Dzongkhag authority and Dzongkhags should monitor explosives being used in their jurisdiction.
 - d. Only certified and registered blaster to be employed by the explosive users.
 - e. Guidelines should be prepared to ensure security of the magazines and explosive stores, and use of armed personals to guard such facility.

- f. The penalties mentioned in Explosive Rules must be harmonized with the Penal Code of Bhutan.
 - g. Develop a mechanism to monitor explosives imported by DANTAK
3. The Explosives Rules, available only in English, should be translated into Dzongkha in the interest of people who use explosives.
 4. The Explosives Bill drafted by the Ministry of Home and Cultural Affairs was supposed to be tabled in the Parliament for adoption. In due course of time, the explosive should be monitored as per Explosive Rules until the Act was endorsed by the Parliament.
 5. If explosions had affected any person or community, compensation to that effect should be paid by the concerned projects and agencies.
 6. The explosives have potential threat to the security and safety of people, communities and the country. Therefore, it is imperative to resort to other alternatives. However, if use of explosives was inevitable, then ensuring security and using quality explosives must be made mandatory.
 7. In addition to the use of explosives, priority should be given to the quality and purpose for which explosives were used.

2. Motion to Celebrate the Birth Anniversary of Zhabdrung Ngawang Namgyel

The Hon'ble Member of Haa Dzongkhag appreciated and paid his reverence to the many historical and spiritual personalities who blessed Bhutan. He said that Ugyen Guru Rinpoche had blessed the country, made many

prophecies and laid the foundation of the Buddha Dharma in the country; Lam Zhabdrung Ngawang Namgyel, after arriving in Bhutan, consolidated the wheel of Dharma that benefitted both the present and future lives of all sentient beings, and the successive Monarchs of the Wangchuck Dynasty had governed the country with deep sense of compassion and commitment.

He said that people of Bhutan celebrated Lord Buddha's *Parinirvana* (*Due Chen Nga Zom*) and the Birth Anniversary of Guru Rinpoche. While Dratshangs and monastic communities had been observing the Birth Anniversary of Zhabdrung Rinpoche each year which fell on the 10th Day of First Month of the Lunar Calendar, it was not observed as a national event. He said that in order for the people to understand significance of the day, it should be declared a national holiday and celebrated in a befitting manner.

Hon'ble Kuenlay Tshering said that that the Lhakhangs and Goendays had always celebrated the Birth Anniversary of Zhabdrung Rinpoche and the issue was not new in the country, which was also in accordance with Article 3 of the Constitution of Bhutan, and thus, he fully supported the proposal. The Hon'ble Member of Bumthang Dzongkhag said that he supported the motion because the opportunity for the Bhutanese to showcase themselves as proud citizens of the country was due to the far reaching and noble legacies of the Palden Drukpa Rinpoche.

With regard to the proposal, the National Council resolved to submit the following recommendations to the government:

Recalling that Buddhism has flourished in the country ever since the visit of 2nd Buddha Ugyen Guru Rinpoche in 8th century;

Recalling that Zhabdrung Ngawang Namgyal as prophesized by Ugyen Guru Rinpoche has further strengthened the teaching of Buddha;

Recognizing the need of spirituality in our day to day affairs, Lama Ngawang Namgyal made Dharma relevant to the daily lives of people by finding the Chhoe-Syid-Nyi system of governance;

Acknowledging that the 4th Druk Gyalpo's is considered no less than the incarnation of Zhabdrung Rinpoche for his selfless endeavor to further strengthen and nurture this dual system of governance to make it more relevant to the contemporary world in the interest of nation and wellbeing of people;

Recognizing that the golden reign of the 5th Druk Gyalpo the descendent of Zhabdrung Rinpoche, is continuing in an environment of peace and happiness due to unweaving devotion of the people and sacred blessing of the lama;

And *knowing* that Buddha's important events and Guru Rinpoche's birth day are remembered as holiday.

The National Council would like to call upon the attention of the government to consider commemorating the birth day anniversary of Lama Ngawang Namgyal, which fall on 10th day of first month of Bhutanese calendar as a public holiday. The day, like Buddha's Parinivana and Guru Rinpoche's birth day, could be considered as an opportunity to earn merit and virtue

by dedicating it for the wellbeing of all sentient beings in the process of paying due homage to the lama.

(Tuesday, 26th February 2013 corresponding to the 16th Day of the 1st Month of the Female Water Snake Year)

3 Motion for Membership to the Inter-Parliamentary Union

The Chairperson of Legislative Committee, Hon'ble Kuenlay Tshering said that the Parliament of Bhutan becoming a member of the Inter-Parliamentary Union (IPU) was auspicious. It would enable the Bhutanese parliamentarians to gain knowledge and experience by deepening relations with parliamentarians from other democratic countries. Therefore, it would be in the interest of Bhutan to join as a member of the IPU.

He said that by becoming a member of IPU, Bhutan would be able to play its rightful role in the club of parliamentary democracies in the world, so accession to the IPU should be carried out in accordance with Article 10.25 of the Constitution of Bhutan. It was important to ratify it like any other international agreements and conventions. Moreover, in accordance with Articles 10.1, 10.2, and 11.2, participation in the IPU by the Parliament of Bhutan was deemed necessary. Further, Bhutan would be able to showcase its independent and sovereign identity by becoming a member of the IPU.

Considering the many benefits that the parliament of Bhutan would reap, the National Council resolved to ratify the motion for membership to the Inter-Parliamentary Union.

H CLOSING CEREMONY

1. Motion for Expression of Appreciation to the Druk Gyalpo

During the closing ceremony of the 10th session of the National Council, the Hon'ble Members expressed their deep appreciation and heartfelt gratitude to His Majesty Jigme Khesar Namgyel Wangchuck. Although it had just been about six years since He ascended the Golden Throne, His Majesty had steered Bhutan to new heights in terms of socio-economic development in the country, peace and prosperity of its people and sovereignty and security of the nation. The Hon'ble Members of the National Council also expressed their heartfelt gratitude to His Majesty the King for promptly responding to the needs of the people during manmade and natural calamities and for consoling and assisting the affected people most compassionately.

Bhutan had been fortunate to be governed by the visionary and benevolent hereditary Monarchs of the Wangchuck Dynasty for more than 100 years. Despite people's abounding faith in the monarchy, His Majesty Jigme Singye Wangchuck had gifted democracy to the people which was applauded and praised by the entire world. The Hon'ble Members extended their heartiest gratitude to His Majesty the Fourth King for taking such a noble initiative.

When democracy was established in 2008, the National Council Members struggled due to lack of knowledge and skills in the democratic norms, legislation and review. The Hon'ble Members expressed their gratitude to His Majesty the King for providing counsel and guidance during such times and also for resolving the

differences between the two Houses of Parliament whenever such problems occurred while carrying out their respective mandates.

Bhutan was one of the smallest countries in the world, both in terms of size and population. It was also an underdeveloped country and therefore, unable to compete with other countries. However, to strengthen friendship, successive Monarchs and, in particular, the reigning Druk Gyalpo, had embarked upon state visits to many countries, which had enhanced Bhutan's reputation in the world for which Bhutanese could hold their heads high and proudly declare themselves as Bhutanese. The recent state visits to neighbouring countries of India and Bangladesh further strengthened the close ties of friendship that existed with those countries. The people of these two countries were overwhelmed by His Majesty's conduct, and enabled assistance and support for the people of Bhutan. On behalf of the Bhutanese people, the Hon'ble Members expressed their gratitude to His Majesty the King for deepening and further strengthening bilateral relations.

The Hon'ble Members highlighted His Majesty's visit to every nook and corner of the country and granting *kidu* to the people from all walks of life. His Majesty's counsel and guidance on the importance of education and positive thinking to the youths of Bhutan, who would be future leaders, swayed the mindset of the young and brought them along the righteous path. The Members expressed how fortunate the Bhutanese were to be born in Bhutan and prayed that they be reborn again in the hallowed country.

The Hon'ble Members prayed for the long life and good health of His Majesty the King and His everlasting reign.

2. Hon'ble Chairperson's Closing Address

Bhutan remained an independent, sovereign, peaceful and proud country in the world due to the Wangchuck Dynasty. While it was just over six years that His Majesty had ascended the Golden Throne, yet He worked tirelessly for the welfare of the country and its people. His Majesty granted *kidus* to improve the livelihood, well being and the happiness of poor and needy. He counseled the youth of Bhutan, so that their future was secured through proper education, right thinking and conduct.

To lay down a strong foundation for democracy in the country, His Majesty had bestowed counsel and guidance to the Members of Parliament. His Majesty also advised and guided socio-economic development in the country. He led the three branches of the Armed Forces and *De-suups* for strengthening the security and sovereignty of the country and fostering community services. His Majesty had granted audiences to various religious groups and commanded measures to be put in place for the spread the Buddha Dharma, and to promote peace, harmony, integrity and cooperation among the people. His Majesty had also strengthened Bhutan's relationship with other countries. The Hon'ble Chairperson, on behalf of all the Bhutanese people in general, and the National Council of Bhutan in particular, expressed his gratitude to His Majesty the King.

The Hon'ble Chairman said that the National Council, during its 10th session, successfully deliberated on 4 Bills, 3 Policy Issues and 4 International Agreements. He expressed his appreciation for the full support

received from the Hon'ble Members, Committees, and officers and staff of the Secretariat which led to the successful conclusion of the 10th Session of the National Council.

He said that since the establishment of democracy in Bhutan in 2008, the National Council had, during the term of the first Parliament, amended 9 Acts and adopted 29 new Bills with the total of 38 Bills under legislation. The National Council also deliberated on 39 policy issues and 33 issues under Any Other Business, and submitted recommendations to the concerned ministries and institutions. A total of 37 Question Times were held which included 27 oral questions and 10 written questions. A total of 18 international treaties, agreements and conventions were discussed and ratified (*Details of Bills and international instruments are provided at Annexure I*).

He stated that the First Parliament had to adopt a number of Acts as it became necessary for the smooth functioning of the democratic system. The Acts that existed prior to the adoption of the Constitution had to be aligned with the constitutional provisions. Further, bills in line with international assistance, grants and international policies had to be adopted. He pointed out that the National Council members, during the initial stages, faced a lot of challenges when Bills and amendment of Acts were deliberated, mainly due to legislative experience and skills. However, with the passage of time, the members gained lots of experience and skills to deal with legislative and review matters.

During its term, the National Council had been successful in achieving its results mainly due to the legislative and policy review responsibilities carried out

satisfactorily and fully by the five eminent members appointed by His Majesty King and all the other members from the 20 Dzongkhags.

He said that there was not much time for the second parliamentary elections for which preparations must be underway. The Hon'ble Chairperson congratulated the three new political parties namely Bhutan Kuen Nyam Party, Druk Chirwang Tshogpa and Druk Nyamrup Tshogpa. Since the term of the National Council would complete towards the end of April, he hoped that all the Hon'ble Members would continue to serve for the next 2 months. If they were to take part in the electoral process, he reminded that they should do so without violating the provisions of the relevant laws.

He said that the reasons for the success of the National Council, exceeding its expectations in achieving results while carrying out its functions, was due to the wise counsel of His Majesty the Druk Gyalpo; prayers of His Holiness the Je Khenpo, monks of the Central Monastic Body and other monastic communities and nunneries; support received from the Hon'ble Prime Minister, the Cabinet, Hon'ble Speaker and Hon'ble Members of the National Assembly towards fulfilling His Majesty's commitment to lay a firm foundation of a strong democracy in Bhutan, create a vibrant economy, and enhancing the wellbeing and welfare of the people of Bhutan.

He said that different institutions had also carried out their responsibilities properly and pointed out that non-governmental agencies and civil society organizations had benefitted the people by carrying out activities which were not included in the planned activities of government.

The Hon'ble Chairperson thanked the three branches of the Armed Forces and the Desups for safeguarding the sovereignty and security of the nation, and for fostering peace and happiness in the country. He also thanked the media for covering the deliberations of the National Council and making its proceedings and resolutions known to the public.

He stressed on the importance of the principles of *Tha-Dam-Tsig* and *Lay-Jum-Drey* by which the Bhutanese social fabric was woven. In this regard, he thanked the people of Bhutan for the support and contributions made for the restoration of Wangduephodrang Dzong and participation in the Pel Khorlo Dompai Wangchen at Punakha. He said that such gestures were the signs of strong social cohesion and selflessness of the Bhutanese to rise to meet extraordinary challenges.

The Chairperson said that the National Council was able to successfully conclude the 10th Session on the 16th Day of the First Month of the Water Female Snake Year because of the blessings of Triple Gem, Grace of their Majesties the Druk Gyalpos, and prayers for the wellbeing of the country and its people. He prayed for the continued good health and long lives of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, Her Majesty the Queen and members of the Royal Family.

(Namgye Penjore)

Chairperson
National Council of Bhutan

ANEXURE-I

New Acts adopted by the first Parliament of Bhutan

Sl.	Title	Date of Adoption	Session	House of Origin	Remarks
1	The Constitution of Bhutan	2008	I	Joint Sitting of Parliament	
2	The National Assembly Act of Bhutan	2008	I	National Assembly	
3	The National Council Act of Bhutan	2008	I	National Council	
4	The Parliamentary Entitlement Act of Bhutan	2008	I	National Assembly	
5	The Election Act of Bhutan	2008	I	National Council	
6	The National Referendum Act of Bhutan	2008	I	National Council	
7	The Public Election Fund Act of Bhutan	2008	I	National Assembly	
8	The Royal Bhutan Police Act of Bhutan	2009	III	National Council	
9	The Prison Act of Bhutan	2009	III	National Council	
10	The Waste Prevention and Management Act of Bhutan	2009	III	National Assembly	
11	The Local government Act of Bhutan	2009	Extra-ordinary Session	National Council	
12	The Civil Service Act of Bhutan	2010	V	National Assembly	
13	The Standards Act of Bhutan	2010	V	National Assembly	

14	The Tobacco Control Act of Bhutan	2010	V	National Assembly	
15	The Entitlement and Service Conditions Act for the Holders, Members and Commissioners of the Constitutional Offices of Bhutan	2010	V	National Assembly	
16	The Royal Monetary Authority Act of Bhutan	2010	V	National Council	
17	The Child Care and protection Act of Bhutan	2011	VII	National Council	
18	The Water Act of Bhutan	2011	VII	National Assembly	
19	The Financial Services Act of Bhutan	2011	VII	National Assembly	
20	The Child Adoption Act of Bhutan	2012	VIII	National Council	
21	The Consumer Protection Act of Bhutan	2012	VIII	National Council	
22	The University of Medical Sciences Act of Bhutan	2012	VIII	National Assembly	
23	Druk Gyalpo's Relief Fund Act of Bhutan	2012	IX	National Assembly	
24	The Education City Act of Bhutan	2012	IX	National Assembly	
25	The Disaster management Act of Bhutan	2013	X	National Assembly	Submitted for Royal Assent
26	The Contract Act of Bhutan	2013	X	National Council	„
27	The Alternative Dispute Settlement Act of Bhutan	2013	X	National Council	„

28	The Domestic Violence Prevention Act of Bhutan	2013	X	National Assembly	„
29	The Road Act of Bhutan	2013	X	National Assembly	„

Amendment Acts adopted by the first Parliament of Bhutan

Sl.	Title	Date of Adoption	Session	House of Origin	Remarks
1	The Cooperative Societies (Amendment) Act of Bhutan	2009	II	National Assembly	
2	The Marriage (Amendment) Act of Bhutan	2009	IV	National Council	
3	The Income Tax (Amendment) Act of Bhutan	2010	VI	National Assembly	
4	The Anti Corruption (Amendment) Act of Bhutan	2001	VII	National Council	
5	The Penal Code (Amendment) Act of Bhutan	2011	VII	National Council	
6	The Civil and Criminal Procedure Code (Amendment) Act of Bhutan	2011	VII	National Council	
7	The Sales Tax, Excise and Customs (Amendment) Act of Bhutan	2012	VIII	National Assembly	
8	The Public Finance (Amendment) Act of Bhutan	2012	VIII	National Assembly	
9	The Tobacco Control (Amendment) Act of Bhutan	2012	VIII	National Assembly	

Bills withdrawn by or lapsed during the first Parliament of Bhutan

Sl.	Title	Withdrawn/ Lapsed	Session	House of Origin	Remarks
1	The Livestock (Amendment) Bill of Bhutan 2009	Lapsed	III	National Assembly	
2	The <i>Zhabto Lemi</i> (Amendment) Bill of Bhutan 2009	Lapsed	III	National Assembly	
3	The Election (Amendment) Bill of Bhutan 2012	Withdrawn	VIII	National Assembly	
4	The Parliamentary Entitlement (Amendment) Bill of Bhutan 2012	Withdrawn	IX	National Council	
5	The National Flag Bill of Bhutan	Lapsed	IX	National Council	

Conventions, Agreements and Protocols ratified by the first Parliament of Bhutan

Sl. No.	Title	Date of Adoption	Session	House of Origin	Remarks
1	The Agreement on the Establishment of SAARC Food Bank	2008	I	National Assembly	
2	The Agreement on the Establishment of a South Asian University	2008	I	National Assembly	
3	The SAARC Fund Charter	2008	II	National Assembly	
4	The Agreement on the Establishment of the South Asian Regional Standards Organization	2008	II	National Assembly	

5	The Protocol of Accession of Islamic Republic of Afghanistan to Agreement on South Asian Free Trade Area	2009	II	National Assembly	
6	The Optional Protocol to the Convention on the Rights of the Child (CRC) on the Sale of Children, Prostitution and Child Pornography	2009	III	National Council	
7	The Optional Protocol to the Convention on the Rights of the Child (CRC) on the Involvement of Children in Armed Conflict	2009	III	National Council	
8	The SAARC Convention on Mutual Assistance in Criminal Matters	2009	IV	National Council	
9	The International Convention Against Doping in Sports	2010	VI	National Assembly	
10	The SAARC Convention on Cooperation on Environment	2010	VI	National Assembly	
11	The SAARC Agreement on Trade in Services	2011	VII	National Assembly	
12	The Ramsar Convention on Wetlands	2012	VIII	National Council	
13	The Cape Town Convention on Mobile Equipment	2012	IX	National Council	

	and its Protocol				
14	The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits from their Utilization to the Convention on Biological Diversity	2012	IX	National Assembly	
15	The SAARC Agreement on Implementation of Regional Standards	2013	X	National Assembly	
16	The SAARC Agreement on Multilateral Arrangement on Recognition of Conformity	2013	X	National Assembly	
17	The Agreement on the Establishment of SAARC Seed Bank	2013	X	National Assembly	
18	The SAARC Agreement on Rapid Response to Natural Disaster	2013	X	National Assembly	

Hon'ble Members who participated in the 10th Session of National Council

1. His Excellency Namgye Penjore, Chairperson, Punakha Dzongkhag
2. Hon'ble (Dasho) Sonam Kinga, Deputy Chairperson, Trashigang Dzongkhag
3. Hon'ble Kuenlay Tshering, His Majesty's Nominee
4. Hon'ble (Dasho) Karma Yezer Raydi, His Majesty's Nominee
5. Hon'ble Tashi Wangmo, His Majesty's Nominee
6. Hon'ble Karma Damcho Nidup, His Majesty's Nominee
7. Hon'ble Tashi Wangyal, His Majesty's Nominee
8. Hon'ble Tshewang Jurmi, Bumthang Dzongkhag
9. Hon'ble Tshewang Lhamo, Chhukha Dzongkhag
10. Hon'ble Sonam Dorji, Dagana Dzongkhag
11. Hon'ble Sangay Khandu, Gasa Dzongkhag
12. Hon'ble Tshering Dorji, Haa Dzongkhag
13. Hon'ble Rinzin Rinzin, Lhuentse Dzongkhag
14. Hon'ble Naichu, Mongar Dzongkhag
15. Hon'ble Ugyen Tshering, Paro Dzongkhag
16. Hon'ble Jigmi Rinzin, Pemagatshel Dzongkhag
17. Hon'ble Jigme Wangchuk, Samdrupjongkhar Dzongkhag
18. Hon'ble (Dr.) Mani Kumar Rai, Samtse Dzongkhag
19. Hon'ble Karma Donnen Wangdi, Sarpang Dzongkhag
20. Hon'ble Sangay Zam, Thimphu Dzongkhag
21. Hon'ble Kesang Namgyal, Trashiyangtse Dzongkhag
22. Hon'ble (Dr.) Jagar Dorji, Trongsa Dzongkhag
23. Hon'ble Justin Gurung, Tsirang Dzongkhag
24. Hon'ble Sonam Yangchen, Wangduephodrang Dzongkhag
25. Hon'ble Pema Lhamo, Zhemgang Dzongkhag