

## **Proceedings and Resolutions (Translated) of the 15th Session of the National Council of Bhutan**

*(Thursday, 21st May 2015 corresponding to the 3rd Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

### **A. Proceedings for the Opening Ceremony**

The opening ceremony of the 15th Session of the National Council of Bhutan was held on 21st May 2015 corresponding to the 3rd Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar with traditional *Marchhang Tendrel* ceremony presided over by the Chairperson.

### **B. Opening Address of the Chairperson**

The Chairperson said that the year 2016 would be a historic one as we commemorated two significant events. It would be 400 years since Zhabdrung Ngawang Namgyal came to Bhutan and 108 years since the institution of monarchy was established in the country. He expressed his gratitude and paid homage to the monarchs of Bhutan, especially His Majesty the Fourth Druk Gyalpo and His Majesty the King for ensuring national security and bringing unprecedented socio-economic development, peace, prosperity and happiness to the people.

He also reminded that 2015 was an important year which marked the 60th Birth Anniversary of His Majesty the 4th Druk Gyalpo Jigme Singye Wangchuk and His Holiness the Je Khenpo Trulku Jigme Choeda. He expressed his heartfelt gratitude to the Royal Family, religious organizations and the people for the elaborate preparations that were being made on the Command of His Majesty the King to pay befitting tributes and offering prayers for their long life.

Between December 2014 and May this year, His Majesty the King and Her Majesty the Queen made visits to various parts of the country and interacted with different people. Among these visits, Their Majesties celebrated the 107th National Day in Kanglung, Trashigang with the people of the eastern Dzongkhags. Following this, Their Majesties visited and interacted with the people of eastern, southern and Haa Dzongkhags and granted kidu to the deserving. The Chairperson expressed his gratitude to Their Majesties and said that such noble deeds have contributed towards bringing further peace, prosperity, happiness and harmony in the country.

Notwithstanding the immense task of looking into the affairs of the state, His Majesty's contributions towards fostering relations at the international levels were unprecedented and commendable. In this context, the Chairperson expressed his gratitude to His Majesty for visiting Singapore in March this year to attend the funeral of Lee Kuan Yew, the former Prime Minister of Singapore. The visit brought Bhutan on the international spotlight and attracted admiration of leaders around the world for His Majesty the King. Similarly, when Nepal was hit by an earthquake in May 2015 and reeling under a very difficult time, His Majesty the King most graciously granted US \$ 1 million in aid besides dispatching a 78-member expert team which greatly benefitted the affected people in Nepal.

Bhutan and Nepal shared a long history of relationship and goodwill for each other. Such a selfless deed by His Majesty the King has contributed towards further strengthening and cementing the existing bond of friendship between the two countries for which the Chairperson expressed his gratitude.

In preparation for this session, the Chairperson informed the House that in the last five months i.e. between the 14th and 15th sessions, the National Council plenary had met 12 times while the various Standing Committees had met 80 times. He said that the agenda for the 15th Session of the National Council included two legislative issues, three interim reports on employment, hydropower and tourism policies and programs under policy review, election related issues, rationalization of gewogs, ratification of two international conventions and Question Time. As usual, the House will also deliberate on follow up reports on implementation of resolutions and reports from Dzongkhag Tshogdus besides the constituency issues which may be taken up separately with the concerned ministries and agencies even if not discussed in the House.

While deliberating on the issues, the Chairperson reminded the members to bear in mind the Royal Command of His Majesty the King to uphold the national policies of protecting security and sovereignty of the country, improving quality of education, strengthening democracy, promoting socio-economic development and instilling pride in our people as Bhutanese. He expressed hope that the session will conclude successfully without any problem and misfortune.

### **C. Implementation Report on the Resolutions of the 14th Session of the National Council**

The National Council during its 14th Session deliberated on two issues related to review of policies and submitted its recommendations to the government and relevant agencies for implementation. The implementation report received from the government

was submitted to the House by the Chairperson of the House Committee and the Hon'ble Member of Pemagatshel Dzongkhag as given in Annexure I. The National Council deliberated on the report on 21/5/2015 and 29/5/2015, and resolved as indicated in the last sentence of Annexure I with respect to the audit report on taxation of minerals and quarries. On the issue of the establishment of Business Opportunity and Information Center (BOIC), the House resolved as given below following a separate deliberation:

*(Friday, 29th May 2015 corresponding to the 11th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

**1. Re-deliberation on the implementation report received from the Government on the establishment of Business Opportunity and Information Center (BOIC)**

The National Council during its 14th Session deliberated extensively on the establishment of BOIC and called upon the Government to urgently table a Bill for enactment since the manner in which it was established was illegal. The Government in response said that the matter was referred to the Office of the Attorney General for review with regard to its legality. However, the National Council refuted the argument saying that the Government had taken too long to obtain the Attorney General's legal opinion.

Therefore, Hon'ble Karma Yezer Raydi moved motion seeking further deliberations. He said that the Hon'ble Prime Minister, in a question time during the 13th Session of the National Council, had assured the House that the matter would be taken up separately between the Government and the National Council. The Hon'ble Prime Minister had even declared that the BOIC would be closed down if in fact there was a problem. Since no

initiative for the dialogue was taken up even at the commencement of the 14th Session, he said that the National Council deliberated on the matter in the 14th Session with detail justifications questioning its legality.

As the establishment of BOIC by the Government was in contravention to the provisions of the Constitution of the Kingdom of Bhutan and the Civil Service Act, the National Council in the exercise of its oversight function, took the responsibility to remind the Government, accordingly. However, due to poor response from the Government, he said that the issue merited submission to His Majesty the King for commanding a legal interpretation.

On this, most of the Hon'ble Members said that the establishment of BOIC undermined the very principle of democracy which espoused adherence to rule of law. Following the illegal BOIC, they said that the establishment of a new office called Better Business Council had further added worries in the country. While the National Council acknowledged the immense benefits to the general public, it was opposed to the manner in which the BOIC was established and the funds from the Consolidated Fund of the Government were allocated. However, some of the members suggested waiting until such time the legal opinion of the Office of the Attorney General (OAG) sought by the Government was received.

The House, on 29/5/2015, deliberated extensively on the establishment of BOIC and resolved to submit the matter to His Majesty the King to graciously command the Supreme Court for a final interpretation of law as there were differences in the interpretation between the National Council and the Government.

**Voting Details on the adoption of recommendations on  
the establishment of Business Opportunity and  
Information Center (BOIC)**

Date: 29/5/2015: 01:05pm; Total Votes: 21; “YES”: 19;  
“NO”:0; “Abstain”: 2

**Following voted, ‘Yes’**

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Tashi Wangmo
5. Hon Tashi Wangyal
6. Hon Karma Damchoe Nidup
7. Hon Nima
8. Hon Sangay Khandu (Samtse)
9. Hon Nima Gyeltshen
10. Hon Pema Tenzin
11. Hon Sonam Wangchuk
12. Hon Jigmi Rinzin
13. Hon Rinzin Dorji
14. Hon Jigme Wangchuk
15. Hon Dhan Bdr. Monger
16. Hon Tashi Phuntsho
17. Hon Kamal Bdr. Gurung
18. Hon Sonam Dorji
19. Hon Tenpa Dorji

**Following refrained from voting:**

1. Hon Pema Dakpa
2. Hon Kaka Tshering

**D. Report on issues received from Dzongkhag  
Tshogdus**

The Hon’ble Chairperson informed the House that the issues received from Zhemgang, Trongsa, Paro, Mongar and Samtse Dzongkhag Tshogdus comprised issues mostly related to infrastructure development in Manas National Park, procedure for processing environment clearance, election related issues, difficulty in getting

zhokshing for maintenance of lhakhangs, number of years required to obtain timber, etc. While some of the issues had already been settled by the members concerned in consultation with the relevant agencies, some were included in the agenda of the National Assembly. On the election related issues, the Chairperson said that these would be taken up, separately. Therefore, the National Council resolved not to deliberate on the Dzongkhag Tshogdu issues specifically. Instead, the Secretariat was directed to respond to the concerned Dzongkhags in accordance with the decisions of the plenary meeting.

*(Thursday, 21st May 2015 corresponding to the 3rd Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **E. Legislative Issues**

### **1. Entitlement and Service Conditions Act for the Holders, Members and Commissioners of the Constitutional Offices of Bhutan (Amendment) Bill 2014**

The Member-in-charge of the Entitlement and Service Conditions Act for the Holders, Members and Commissioners of the Constitutional Offices (Amendment) Bill 2014, Hon'ble Minister for Finance said that in order to lay a strong foundation for a successful democracy, the Constitutional offices were very important. He said that the main reason for amending the Act was due to the inconveniences that arose when civil servants with the requisite professional knowledge from the executive group selected for these establishments based on their competence and efficiency had to resign after completion of their five-year tenure without the opportunity of being placed to other positions.

With a view to motivating competent civil servants who still had time before retirement to assume such posts on deputation without having to resign from civil service, and the objective of finding capable and dynamic Commissioners and Members, the National Assembly during its 4th session had passed the Entitlement and Service Conditions Act for the Holders, Members and Commissioners of Constitutional Offices (Amendment) Bill. Accordingly, the Member-in-Charge introduced the Bill for deliberation and adoption in the National Council.

Some members questioned whether consultations were carried out with the different institutions on the proposed amendments and asked if they had opportunity to work in Corporations and Private Sector after retiring from these offices. They also questioned why their entitlements had been reduced if these institutions were considered important. In response, the Hon'ble Finance Minister admitted that consultations with the relevant institutions could not be carried out as the Act required immediate amendment. On the employment opportunity of working in the corporations and the private sector after retirement, he said that it would depend on the individual interests. However, the necessity to reduce the entitlements arose due to their level and order of precedence in the entire system.

### **1.1. Deliberations on the Bill**

The National Council deliberated on the Entitlement and Service Conditions Act for the Holders, Members and Commissioners of Constitutional Offices (Amendment) Bill 2014 on 22/5/2015. Following amendments and changes were made in the Bill which shall be submitted to the National Assembly for re-deliberation:



## **Preamble**

Whereas, Article 31(7) of the Constitution of the Kingdom of Bhutan requires that the salaries, tenure, discipline and other conditions of the Holders, Members and Commissioners of Constitutional Offices be prescribed by law;

Whereas, it is expedient to also prescribe the salaries, tenure, discipline and other conditions of Members and Commissioners of Constitutional Offices;

## **Section 4**

Retain as in the Act

## **New Section 4A**

A Constitutional Post Holder shall not be eligible for reappointment while a Member or Commissioner may be reappointed subject to a maximum of two terms.

### **Voting details on the adoption of the Entitlement and Service Conditions Act for the Holders, Members and Commissioners of Constitutional Offices (Amendment) Bill 2014**

Date: 22/05/2015: 12:49PM; Total Votes:24; "YES": 24; "NO":0; "Abstain": 0

### **Following voted, "YES"**

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Tashi Wangmo
5. Hon Tashi Wangyal
6. Hon Karma Damchoe Nidup
7. Hon'ble Nima
8. Hon Sangay Khandu (Gasa)
9. Hon Sangay Khandu (Samtse)

10. Hon Kaka Tshering
11. Hon Nima Gyaltshen
12. Hon Pema Tenzin
13. Hon Sonam Wangchuk
14. Hon Jigmi Rinzin
15. Hon Rinzin Dorji
16. Hon Jigme Wangchuk
17. Hon Dhan Bdr. Monger
18. Hon Tashi Phuntsho
19. Hon Kamal Bdr. Gurung
20. Hon Tashi Dorji
21. Hon Pema Dakpa
22. Hon Sonam Dorji
23. Hon Tempa Dorji
24. Hon Tharchen

*(Thursday, 28th May 2015 corresponding to the 10th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **2. Introduction to Doha Amendments to the Kyoto Protocol to the UN Framework Convention on Climate Change (UNFCCC)**

The Member-in-charge of the Doha Amendments to the Kyoto Protocol to the UN Framework Convention on Climate Change (UNFCCC), the Hon'ble Minister for Ministry of Agriculture & Forest submitted that Bhutan was a rich country in terms of natural resources mainly due to the continued advice and guidance of the Fourth Druk Gyalpo and His Majesty the King. He said that many measures were put in place for its proper care and protection. In 2002, Bhutan also signed the Kyoto Protocol to the UN Framework Convention on Climate Change (UNFCCC) which was later amended and adopted in Doha upon its expiry.

The Hon'ble Minister said that the Doha Amendments to Kyoto Protocol was discussed among the experts in the National Environment Commission before submitting it

to the Cabinet. It was then deliberated and ratified by the National Assembly in its 4th session. The main objective of the Protocol was to reduce air pollution in the developed countries. In developing countries like Bhutan, its participation could help in conservation of environment, establishment of Trust Fund and reap other benefits. As it posed no security risks to the country, he introduced the amended protocol to the National Council for ratification.

On this, some members asked why the big developed countries refrained from participating in the protocol though the objective was to reduce air pollution which was highly beneficial. They also enquired what the achievements were following the signing of the protocol. In response, the Hon'ble Minister clarified that the developed countries refrained from participating in the protocol mainly as it contradicted with their domestic policies and programmes. He said that Bhutan had benefitted immensely in terms of financial assistance and through the establishment of large projects.

## **2.1 Ratification of the Protocol**

The National Council deliberated extensively on the Doha Amendments to the Kyoto Protocol to the UN Framework Convention on Climate Change (UNFCCC) on 28/5/2015 and ratified it. The House resolved to submit the same to His Majesty the King for Royal Assent.

## **Voting details on Ratification of the Doha Amendments to the Kyoto Protocol to the UN Framework Convention on Climate Change (UNFCCC)**

Date: 28/05/2015: 10:52AM; Total Votes:20; “YES”: 20; “NO”:0; “Abstain”: 0

### **Following voted, “YES”**

1. Hon Tshering Dorji
2. Hon Kuenlay Tshering
3. Hon Karma Yezer Raydi
4. Hon Tashi Wangmo
5. Hon Tashi Wangyal
6. Hon Karma Damchoe Nidup
7. Hon Nima
8. Hon Sangay Khandu (Samtse)
9. Hon Nima Gyaltshen
10. Hon Pema Tenzin
11. Hon Sonam Wangchuk
12. Hon Jigmi Rinzin
13. Hon Rinzin Dorji
14. Hon Jigme Wangchuk
15. Hon Dhan Bdr. Monger
16. Hon Tashi Phuntsho
17. Hon Kamal Bdr. Gurung
18. Hon Pema Dakpa
19. Hon Sonam Dorji
20. Hon Tempa Dorji

### **3. Introduction of the Statute of the International Renewable Energy Agency (IRENA)**

The Member-in-charge of the Statute of the International Renewable Energy Agency, Hon’ble Minister for Economic Affairs submitted that the renewable energy meant all forms of energy produced from renewable sources which included bio-energy, geothermal energy, hydropower, ocean energy including inter alia tidal, wave and ocean thermal energy, solar energy and wind energy. He said that the main objective

of the Statute was to promote the widespread and increased adoption of sustainable use of all forms of renewable energy. The Agency would provide experience for practical applications and policies, offer support on matters relating to renewable energy and help countries to benefit from the efficient development and transfer of knowledge and technology.

Therefore, Bhutan stand only to gain from the objectives and ideologies of the Statute by its participation on the already healthy state of natural environment. Since the Statute will also facilitate exchanges among experts and enhance human resource capacity, the National Assembly during its 4th session had passed it and was now being introduced in the National Council for ratification.

### **3.1 Ratification on the Statute**

The National Council deliberated extensively on the Statute of the International Renewable Energy Agency (IRENA) on 28/5/2015 and ratified it. The House resolved to submit the same to His Majesty the King for Royal Assent.

#### **Voting Details on Ratification of the Statute of the International Renewable Energy Agency**

Date: 28/05/2015: 11:59AM; Total Votes: 20; “YES”: 20; “NO”:0; “Abstain”: 0

#### **Following voted, “YES”**

1. Hon’ble Tshering Dorji
2. Hon’ble Kuenlay Tshering
3. Hon’ble Karma Yezer Raydi
4. Hon’ble Tashi Wangmo
5. Hon’ble Tashi Wangyal
6. Hon’ble Karma Damchoe Nidup
7. Hon’ble Nima

8. Hon'ble Sangay Khandu (Samtse)
9. Hon'ble Nima Gyaltshen
10. Hon'ble Pema Tenzin
11. Hon'ble Sonam Wangchuk
12. Hon'ble Jigmi Rinzin
13. Hon'ble Rinzin Dorji
14. Hon'ble Jigme Wangchuk
15. Hon'ble Dhan Bdr. Monger
16. Hon'ble Tashi Phuntsho
17. Hon'ble Kamal Bdr. Gurung
18. Hon'ble Pema Dakpa
19. Hon'ble Sonam Dorji
20. Hon'ble Tempa Dorji

*(Thursday, 11th June 2015 corresponding to the 24th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

#### **4. Introduction to Budget Appropriation Bill for Financial Year 2015-2016 and Supplementary Budget Appropriation Bill for Financial Bill 2014-15**

The Hon'ble Minister for Finance presented the 2015-2016 National Budget based on the Budget Appropriation Bill for the Financial Year 2015-2016 and Supplementary Budget Appropriation Bill for the Financial Bill 2014-15. This budget was presented at a time when the nation celebrated the 60th birth anniversaries of His Majesty the Fourth Druk Gyalpo and His Holiness the Je Khenpo and, therefore, was historic. Moreover, as this was a midway budget of the 11th Five Year Plan, the objective was to make all Bhutanese self-reliant and expedite socio-economic development.

The budget outlay for the financial year 2015-2016 was the highest compared to the previous financial years and a report on hydropower development too was presented for the first time. In line with the principles of

democracy and amended provisions of the National Assembly Act, a Finance Committee was instituted which reviewed the National Budget and submitted around 11 proposals.

The National Budget Report 2015-216 outlined the fiscal performance and operation in FY 2013-2014, the revised budget details of FY 2014-2015, the budget estimates for FY 2015-2016 and macro economic performance and outlook. The report also highlighted the budget for the Royal Monetary Authority, State Owned Enterprises, Druk Holding and Investment, National Pension and Provident Fund, Trust Fund and hydropower development.

The Finance Minister reported that the total expenditure for FY 2015-2016 was Nu. 47,348.166 million with estimated current expenditure of Nu. 23,871.321 million and capital expenditure of Nu.23,476.845 million, respectively. The current expenditure consisted of about 91% of the domestic revenue and about 17 % of the GDP. About 63% of the capital expenditure was financed through external grants, 14.5 % from external borrowings and the balance was financed through surplus revenue and domestic borrowings.

The Finance Minister also submitted that the total domestic revenue for the FY 2015-2016 was estimated at Nu. 26,145.124 million which was an increase of 5 % over the previous year. Of the total revenue, tax revenue was estimated at Nu. 19,197.949 million, while non-tax revenue was estimated at Nu.6,947.175 million. The other source of revenue was through external funding and the estimated external grant for the FY was Nu. 14,872.764 million, the highest from Government of India (GoI) representing 76% of the total grant. Some of the other external funding agencies were Asian

Development Bank (ADB), International Fund for Agriculture Development (IFAD) and Swiss Development Cooperation (SDC).

The budget allocation for this year was meant mainly for the activities stipulated in the Annual Performance Agreement signed between the Agencies and Hon'ble Prime Minister, the prioritized programmes and activities of the 11th FYP and the Expenditure Policy. The prioritized activities included the establishment of Central Schools for improving quality of education, widening of Thimphu-Trashigang National Highway, operation of livestock projects for food self-sufficiency, prevention of natural disasters, introducing helicopter services for development of tourism, distribution of power-tillers, establishment of banks in the gewogs and the procurement of utility vehicles, etc.

The proposals had been thoroughly discussed within the agencies and the recommendations approved by the Ministry of Finance following which the National Assembly endorsed the proposals after thorough deliberations. The Finance Minister, therefore, introduced the National Budget in the National Council for its endorsement.

During the deliberations, the National Council questioned the Finance Minister on what were included in the term "other fiscal measures" under the Pay Revision for FY 2014-2015; what the benefits were from rural electricity subsidy; how BCCI qualified to receive supplementary budget; what the effects were of internal borrowing on private-sector development; what the programme borrowing was for; what the performances of task force for inflation control were; what activities were to be carried out with the budget allocated for tourism development in Tsirang and Dagana; and what the



details were of budget allocated for the procurement of helicopters.

In response, the Hon'ble Minister clarified that the term "other fiscal measures" mentioned in the Pay Revision for the FY 2014-15 included newly imposed call tax, vehicle tax, import tax and green tax. On the rural electricity subsidy, he said that the people had reaped benefit worth Nu. 301million. With regard to the supplementary budget, he said that to BCCI's own revenue generation was not sufficient and had to be given to support private sector development. The Finance Minister clarified that while internal borrowings did not have any negative impact on private sector, it generally helped the banks. Programme borrowing, on the other hand, was a loan with minimal interest rate that could be spent on the activities based on their priority. The Finance Minister admitted that the task force on inflation which was established very recently did not have any outcome to-date. On the budget allocated for tourism promotion in Tsirang and Dagana, he said that it was meant for carrying out feasibility studies. Coming to helicopter services, he informed that the Government was still working on it and that a report would be submitted in a future session.

Some members raised concerns and sought clarification on whether budget would be allocated to the Central Schools to improve capacity of the teachers; how the budget for livestock development was allocated; whether there was budget allocated for construction of hospital in Haa; why there was a difference between the estimates and budget allocated for Trashigang Dzong renovation; what the initial estimate and the completion date of Phuentsholing-Samtse highway were; how the Cabinet office received 100 percent more supplementary budget over its initial budget; what the reasons were for

NFE receiving more budget than ECCD centres; and what the performance was of the first ever established Finance Committee.

The Finance Minister clarified that the budget allocated to Central Schools did not include the expenses for teacher development and that the budget allocated for livestock development was for promotion of egg production, establishment of cattle breeding centre's in Samtse and Daifam, and for development of piggery and fishery farms. With regard to the construction of hospital in Haa, he said that the Government will prioritize it and provide the necessary budget as soon as a report was received from the local authorities. Of the total estimated cost of Nu. 180 million for the renovation of Trashigang Dzong, he said that a proportionate amount was being released on an annual basis. On the construction of Phuentsholing-Samtse highway, a total expenditure of Nu.1,018 million was incurred up-till now against the estimated cost of Nu. 2,240 million. However, the final completion date could be ascertained from the Ministry of Works & Human Settlement. He clarified that the supplementary budget for the Cabinet Office exceeded its initial allocation mainly because the Cabinet had to take over two projects viz., the G2C and Annual Performance Agreement (APA). The budget allocated for NFE was more than ECCD centres as there were more NFE centres. The Finance Minister also reported that the Finance Committee had submitted three pertinent and eight general proposals on the National Budget thus benefitting from its establishment.

#### **4.1 Deliberation on the Supplementary Budget Appropriation Bill of Financial year 2014-2015.**

The National Council deliberated extensively on the Supplementary Budget Appropriation Bill of the Financial Year 2014-2015 on 11th and 12th June 2015 and approved a Supplementary Budget of Nu. 44,160.531 million without any amendment and change. The House, however, resolved to submit the following recommendations to the National Assembly:

**Section 5:** Supplementary appropriations should be as given in the annexure to this Act.

##### **1. No.11: Cabinet Office**

- A. Supplementary budget is an addition of certain amount of budget to the initially approved budget due to its in-sufficiency. The Finance Minister during the presentation of the Annual Budget to the National Council on 11/6/2015 reported that the actual budget of the Cabinet Secretariat for the financial year 2014-15 was 25.850 million. A supplementary budget of Nu. 50.947 million was provided taking the total allocation to Nu. 76.799 million which represented a 179 percent increase in the budget. He said that the increase was mainly because of shifting of G2C services from Ministry of Information & Communication and Annual Performance Agreement project from GNHC to the Cabinet office. While the budget of the Cabinet office had increased drastically, he said there was a corresponding decrease in the budget of MoIC and GNHC.

However, the National Council upon verification found that the budget allocated in these two agencies had, in fact, doubled instead of decreasing after transfer of the two projects to the Cabinet. Therefore, the National Council asked the Hon'ble Minister to respond on the following recommendations to Parliament at the earliest:

1. Segregate current and capital budget allocation of Nu. 76.797 million of the Cabinet Office for the fiscal year 2014-15;
2. Show the difference and by how much the budget of MoIC for the financial year 2014-2015 was decreased with the transfer of G2C project to the Cabinet; and
3. Similarly, show the difference and by how much the budget of GNHC for the financial year 2014-2015 was decreased with the transfer of the Annual Performance Agreement project to the Cabinet.

**Voting details on the adoption of the Supplementary Budget Appropriation Bill for the Financial Year 2014-2015**

Date: 12/06/2015: 12:18 PM; Total Votes: 24; "YES": 23; "NO":1; "Abstain": 0

**Following voted, "YES"**

1. Hon'ble Tshering Dorji
2. Hon'ble Kuenlay Tshering
3. Hon'ble Karma Yezer Raydi
4. Hon'ble Tashi Wangmo
5. Hon'ble Tashi Wangyal

6. Hon'ble Karma Damchoe Nidup
7. Hon'ble Nima
8. Hon'ble Sangay Khandu (Gasa)
9. Hon'ble Sangay Khandu (Samtse)
10. Hon'ble Kaka Tshering
11. Hon'ble Nima Gyaltshen
12. Hon'ble Pema Tenzin
13. Hon'ble Sonam Wangchuk
14. Hon'ble Rinzin Dorji
15. Hon'ble Jigme Wangchuk
16. Hon'ble Dhan Bdr Monger
17. Hon'ble Tashi Phuntsho
18. Hon'ble Kamal Bdr Gurung
19. Hon'ble Tashi Dorji
20. Hon'ble Pema Dakpa
21. Hon'ble Sonam Dorji
22. Hon'ble Tempa Dorji
23. Hon'ble Tharchen

**Following voted, "NO"**

1. Hon'ble Jigme Rinzin

## **4.2 Budget Appropriation Bill for the Financial Year 2015-2016**

The National Council had in depth deliberation on the Budget Appropriation Bill for the financial year 2015-16 on 11/6/2015 and 12/6/2015 and endorsed the proposed budget of Nu. 50,713.707 million (includes repayments and on-lending) comprising current budget of Nu. 23,871.321 and capital budget of Nu.26,842.386 million, without any amendment and change. The House, however, resolved to submit the following recommendations to the National Assembly:

### **Section 6**

Recommendations on the allocations as in the Annexure to this Bill are provided as follows:

## **1. Sl. # 6: Judiciary**

- A. Judiciary is a very important institution in the country. However, duty vehicles provided to Drangpons of the district courts under the judiciary have completed the warranty period and become very old posing risk to life while traveling on official duty. Therefore, necessary budgetary provisions should be kept for the replacement of duty vehicles of the district Drangpons and the procurement of new vehicles for the Drangpons of Dungkhag courts.
- B. To provide legal aid and help the poor who are prosecuted in the court of law, a budget of Nu. 0.300 million was proposed, of which only Nu. 0.100 million is approved by the Government. Given its importance and urgency, Nu. 0.300 million as approved during the last financial year may be considered. Moreover, a guideline to avail this support should be framed and advocacy carried out for wider public awareness and understanding.

## **2. Sl. # 9: Election Commission**

- A. A budget of Nu. 3.000 million is allocated to the Election Commission for Bhutan's Democracy Dialogue supported by Royal Government of Bhutan and DANIDA. As per Article 15.4 (e), a political party is not allowed to receive fund or any assistance from foreign sources. The above budget allocation contradicted with this proviso. Although the funding from DANIDA does not directly support a political party, it is implied as the

fund is disbursed through the Election Commission. Moreover, external funding can be used for capital works only and not for current expenses. So, it contradicted with this objective as well. Therefore, external funding for this programme should not be entertained. If the program was important, financial support from the Royal Government of Bhutan only should be provided.

- B. The Government has not approved the budget proposal of Nu. 0.500 million submitted by ECB for reviewing the accounts of political parties and monitoring their activities. Since this was a mandate of the ECB, the proposed budget should be provided to fulfill its responsibilities.

### **3. Sl. # 26: Bhutan Tourism Council**

- A) To diversify and promote products in the international markets and Brand Bhutan, Nu.29.650 million is allocated to Bhutan Tourism Council. In order to have a clear picture of the progress of the activities and furthermore, to prevent the possible risk of spending the budget of one activity for another, budget should be allocated separately for market promotion and Brand Bhutan.

### **4. Sl. # 40: Ministry of Agricultural and Forest**

- A) In order to supplement the nutritional requirement of schools, the government has initiated a strategy called “three eggs per student per week”. For this, Nu. 3.600 million is allocated to establish poultry farming in 13 schools. While respecting the intent of the

program, the National Council expressed its concerns due to limited space, sanitation problem and danger of spreading various diseases in the school. Therefore, instead of establishing poultry farms in schools, co-operatives should be identified for supply of eggs to the schools.

- B) A budget of Nu. 32.00 million is allocated for the construction of a National Animal Hospital in Thimphu. To ensure balanced regional development, arrangements should be made to construct the hospital in a place having large number of animals such as in the southern and eastern Dzongkhags.
- C) In order to achieve self-sufficiency in food, it is important to develop agriculture. To do that, agriculture produce has to be promoted for which the Government has been providing various program support. However, wildlife depredation when it is about time to harvest crops has caused major problem and immense loss to the farmers after all the hard work they have put in. Therefore, the Government should prioritize electric fencing and allocate necessary budget for its distribution.

## **5. Sl. # 48: Ministry of Education**

- A) The Government has allocated Nu. 19.010 million to meet the special needs of differently-abled students, which the National Council fully supported. Currently, there were six integrated schools and two special education centers for such students. As differently-abled children were present in all 205 Gewogs, an



integrated school each needs to be established in every Dzongkhag to ensure balanced regional development for which the necessary budget should be kept.

## **6. General**

- A) Under Section 3.2.3 of the National Budget Report, a total outlay of Nu. 2089.057 million is provided for transfer and subsidy, which is exclusively for subsidies provided by the government. This does not include the non-financial subsidies on entertainment facilities and import of duty free equipments besides supply of free electricity in the rural areas. Details of such subsidies should be captured in the budget report or in any of the financial statements as deemed necessary. Therefore, the Government should not only publish the existing report on Receipt and Payment but also prioritize in establishing a detailed accounting system for clarity.
- B) Under Section 3.3.1 of the Budget Report, the Government has planned to borrow Nu. 2406.00 million from Asian Development Bank and the World Bank. Article 14.6 of the Constitution of the Kingdom of Bhutan states that, “the Government shall ensure that the cost of recurrent expenditure is met from internal resources of the country”. Therefore, the Government should refrain from using such borrowings for recurrent expenditure.
- C) As per the records of the Sovereign Guarantees for State Owned Enterprise (SOE) reflected in Table 2, Annexure 5 of the

National Budget Report, Bhutan Ferro Alloys Limited has been granted original guarantee amount of Nu. 424.235 million. According to Public Finance Act 2007, State Owned Enterprise means a business entity with government share-holding of more than 50 percent. As evident from Annexure 4, the Government has only 25.73 percent share-holding in BFAL. Therefore, the Sovereign Guarantee granted to BFAL was in contravention to the law. However, the guarantee had been issued in 2004 before the enactment of the Public Finance Act 2007. In keeping with Article 14.4 of the Constitution of the Kingdom of Bhutan which stipulates the Government to guarantee loans only in accordance with law, such issues related to sovereign guarantees issued by the Government should henceforth be covered either by a specific law or mentioned in a provision of law.

**Voting details on the adoption of the Budget  
Appropriation Bill for Financial Year 2015-2016**

Date: 12/06/2015: 12:41 PM; Total Votes: 24; “YES”: 23;  
“NO”:1; “Abstain”: 0

**Following voted, “YES”**

1. Hon’ble Tshering Dorji
2. Hon’ble Kuenlay Tshering
3. Hon’ble Karma Yezer Raydi
4. Hon’ble Tashi Wangmo
5. Hon’ble Tashi Wangyal
6. Hon’ble Karma Damchoe Nidup
7. Hon’ble Nima
8. Hon’ble Sangay Khandu (Gasa)
9. Hon’ble Sangay Khandu (Samtse)

10. Hon'ble Kaka Tshering
11. Hon'ble Nima Gyaltshen
12. Hon'ble Pema Tenzin
13. Hon'ble Sonam Wangchuk
14. Hon'ble Jigme Rinzin
15. Hon'ble Rinzin Dorji
16. Hon'ble Jigme Wangchuk
17. Hon'ble Dhan Bdr Monger
18. Hon'ble Tashi Phuntsho
19. Hon'ble Kamal Bdr Gurung
20. Hon'ble Tashi Dorji
21. Hon'ble Pema Dakpa
22. Hon'ble Tempa Dorji
23. Hon'ble Tharchen

**Following voted, "NO"**

1. Hon'ble Sonam Dorji

*(Tuesday, 9th June 2015 corresponding to the 22nd Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

**5. Proposal to introduce a Bill on Possession of Assets and Properties outside Bhutan by Bhutanese citizens**

The Chairperson of the Economic Affairs Committee (EAC), Hon'ble Member of Chhukha Dzongkhag said that the Committee had made a presentation to the plenary of the National Council and agreed on the proposal to convert the existing regulations on the Possession of Assets and Properties outside Bhutan by Bhutanese citizens into an Act. The issue was supposed to be taken up in this session. However, he submitted that more consultation meetings with relevant stakeholders and review needed to be carried out. Therefore, the Committee submitted that the House defer deliberations on it.

Considering the importance of the issue of Possession of Assets and Properties outside Bhutan by Bhutanese

citizens, the National Council resolved to defer the deliberations on it till the 16th session to enable the Economic Affairs Committee to carry out consultation meetings and thorough review.

*(Monday, 25th May 2015 corresponding to the 7th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **F. Issues related to Review of Policies**

### **1. Deliberation on issues related to Elections**

The Legislative Committee, on having done a thorough review of the issues submitted by the Dzongkhag Tshogdus, the various constituencies and the Anti-Corruption Commission, made a detailed presentation and sought directives of the House on whether to amend the Election Act or take up the issues in a separate discussion.

Hon'ble Kuenlay Tshering, Chairperson reported that the Committee had reviewed the Election Act in relation to other Acts, rules and regulations. For instance, he said that the Election Act needed amendment to align with Section 11 of the National Council (Amendment) Act which stated:

*“The National Council shall be a continuous House and shall not be dissolved at any time”.*

Going by legal principle, however, if a specific proviso was incorporated in an Act, it was legally binding on all to follow the proviso. An Act once passed extended to the whole country. The Election Commission of Bhutan (ECB) also committed to adhere to the amended Act of the National Council. Thus, there was no need to amend the Election Act.

On the contradiction between Section 196 of the Election Act and Section 5, Article 24 of the Constitution of Bhutan, the Committee Chairperson reported that the Election Commission had clarified that there was no contradiction. The Commission had further agreed to seek legal interpretation from the Judiciary. Since this was an important issue, he said that the Committee had decided not to amend the Election Act. Instead, it proposed to address the other election related issues before the commencement of Local Government elections in 2016.

While compiling the election related issues, the National Council found that there was no direct need to amend the Election Act. However, during its deliberation on 25/5/2015 and 29/5/2015, the House resolved to make the following amendments, changes and additions to the election related rules, regulations and guidelines:

### **The National Council,**

1. ***Upholding*** the vision of His Majesty the Fourth King and His Majesty the King to build a vibrant democracy for Bhutan in order to fulfill the aspirations of the Bhutanese people;
2. ***Respectful*** of the importance in holding free and fair elections in our democratic polity;
3. ***Acknowledging*** the concerns expressed by the people from various constituencies as well as those of Dzongkhag Tshogdus on the election related issues to the National Council;
4. ***Recalling*** its deliberations during the 11th Session on Electoral Corruptions while discussing the Anti-Corruption Commission's Annual Report 2012;

5. **Convinced** that these concerns related to the conduct of elections could be addressed through the amendment of the relevant rules, regulations, guidelines and the Hand Books by the Election Commission of Bhutan; and
6. **Acknowledging** that many issues were addressed by the Election Commission of Bhutan through recent review of rules, regulations and guidelines.

**Hereby** recommends the Election Commission of Bhutan to:

1. Look at Article 24(5) of the Constitution and Section 196 of the Election Act of the Kingdom of Bhutan 2008 and ensure necessary arrangements for the conduct of Local Government elections in 2016; and
2. Address election related concerns, which are listed below, by amending relevant rules, regulations and guidelines as proposed by the National Council.

### **Recommendations of the Legislative Committee**

Sl. #	Issue	Relevant clauses of the Rules	Amendment proposal	Justification
1	<b>Number of Jabchorpas/Leyjepas</b>	7.7 A Political Party shall not appoint more than:  7.7.1 One member as the Coordinator for each  Dzongkhag;  7.7.2 One member as the Coordinator	<b>The Election Commission of Bhutan shall determine the number of Jabchorpas/ Leyjepas permitted to engage in political party</b>	<b>Too many Jabchorpas/ Leyjepas create problems during the election</b>

		<p>for each National Assembly Demkhong; and</p> <p>7.7.3 One member as the Coordinator for each Gewog; and</p> <p>7.8 A Party may deploy its coordinators within the above limitation.</p> <p><i>Political Party Rules of the Kingdom of Bhutan, 2015</i></p>	<p><b>campaigns.</b></p> <p><b>Such Jabchorpas/ Leyjepas shall not be permitted to campaign outside their jurisdiction.</b></p>	<p><b>period.</b></p>
<b>2</b>	<b>Door to door campaign</b>	<p>4.4 A Political Party shall not resort to door-to-door registration of members.</p> <p>11.33 A Political Party shall not resort to or allow its Candidates or supporters to conduct door-to-door election campaigns after 6:00 p.m. and before 6:00 a.m.</p> <p><i>Political Party Rules of the Kingdom of Bhutan, 2015</i></p> <p>12.2. A Political Party or Candidate may conduct separate public meetings and/or</p>	<p><b>A Political Party shall be prohibited from conducting door-to-door election campaigns. This shall also apply to the National Council and the Local Government elections.</b></p>	

		<p>door to door campaign with prior approval of the respective Returning Officer as may be permissible under the Electoral Laws and the Notifications of the Election Commission of Bhutan.</p> <p><i>Guidelines for the Conduct of the Common Forum for Election Campaign, 2015</i></p>		
<b>3</b>	<b>Extended common forum</b>	<p>4. Common Forum for Election Campaign</p> <p>4.4. There shall be at least one Common Forum organized in every <b>Chiwog</b> and Thromde during the Local Government Elections at which a Candidate whose nomination has been accepted may address the electorate.</p> <p>Provided that a Candidate for the post of a Gup and Mangmi may participate at the</p>	<b>Common Forums shall be taken to as many chiwogs as deemed appropriate.</b>	



		<p>Common Forum in all the Chiwogs of the respective Gewog and Candidates for Thrompon and Thromde Thuemi may participate in all the Thromde Tshogpa Demkhongs of the respective Thromde.</p> <p><i>Guidelines for the Conduct of the Common Forum for Election Campaign, 2015</i></p>		
<b>4</b>	<b>Voting from place of residence</b>		<b>The ECB shall make provisions for voting from place of residence, especially in large population centres.</b>	
<b>5</b>	<b>No banners</b>	<p><b>Chapter 4:</b> Posters and Banners (Section 9.1 to 19.14 provides for banners)</p> <p><i>Election Advertising Regulations of the Kingdom of Bhutan, 2015</i></p>	<b>The ECB shall not require candidates to use banners during Election Campaigns.</b>	<b>Cost of Election could be reduced by not having to incur expenses on banners.</b>

6	<p><b>Formal university degree</b></p>	<p><b>CHAPTER 5:</b> Qualification for Nomination</p> <p>To be nominated for either Parliament or the Local Government, a Candidate must:</p> <p>(d) Possess a formal university degree in the case of Parliament and be functionally literate in the case of Local Governments.</p> <p><i>Handbook for Candidates</i></p>	<p><b>Once attested by the RUB, the ECB shall accept the university degree of candidates.</b></p>	
7	<p><b>Section 4.5 of the Delimitation of Demkhongs Rules and Regulations of the Kingdom of Bhutan, 2012</b></p> <p><b>Vs</b></p> <p><b>Section</b></p>	<p><b>Geography</b></p> <p>4.5: <i>Demkhongs</i> shall be unbroken and inter-connected to facilitate easier interaction of political parties and candidates with their electorates. And</p> <p><b>Delimitation of Constituencies</b></p> <p>86. The Delimitation Commission shall divide each Dzongkhag, Gewog, and Dzongkhag Thromde into</p>	<p><b>Section 4.5 of the Delimitation of Demkhongs Rules and Regulations of the Kingdom of Bhutan, 2012 shall be amended according to Section 86(e) of the Election Act of the Kingdom of Bhutan, 2008.</b></p>	<p><b>The provision in the rule is inconsistent with the provision in the Act.</b></p>

	<p><b>86(e) of the Election Act of the Kingdom of Bhutan, 2008.</b></p>	<p>relevant constituencies and delimit them on the basis of the registered voters after giving due regard to the provisions of the Constitution, the provisions of this Act, in accordance with the established Rules and Regulations and the following:</p> <p>(e) Maintenance of an unbroken and inter-connected constituency as far as possible.</p>		
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**Voting details on the adoption of recommendations on the issues related to Election**

Date: 29/05/2015: 10:25 AM; Total Votes: 21; “YES”: 21; “NO”:0; “Abstain”: 0

**Following voted, “YES”**

1. Hon’ble Tshering Dorji
2. Hon’ble Kuenlay Tshering
3. Hon’ble Karma Yezer Raydi
4. Hon’ble Tashi Wangmo
5. Hon’ble Tashi Wangyal
6. Hon’ble Karma Damchoe Nidup
7. Hon’ble Nima
8. Hon’ble Sangay Khandu (Samtse)
9. Hon’ble Kaka Tshering
10. Hon’ble Nima Gyaltshen

11. Hon'ble Pema Tenzin
12. Hon'ble Sonam Wangchuk
13. Hon'ble Jigme Rinzin
14. Hon'ble Rinzin Dorji
15. Hon'ble Jigme Wangchuk
16. Hon'ble Dhan Bdr Monger
17. Hon'ble Tashi Phuntsho
18. Hon'ble Kamal Bdr Gurung
19. Hon'ble Pema Dakpa
20. Hon'ble Sonam Dorji
21. Hon'ble Tempa Dorji

*(Tuesday, 26th May 2015 corresponding to the 26th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **2. Report on Gewog Rationalization**

As suggested by some members during the 20th plenary session of the National Council, the House had directed the Natural Resources & Environment Committee (NREC) to review the issue of gewog rationalization. Accordingly, the Committee presented its report after several rounds of internal meetings and consultations with relevant ministries and agencies.

The NREC pointed out that the practice of bifurcation and merging of gewogs existed even before the introduction of democracy in the country. The 7th and 9th sessions of the National Council also discussed and recommended rationalization of gewogs before finalizing the 11th Five Year Plan.

When the matter was discussed during the 9th Session of the 1st National Assembly, it was reported that with development in the country, gewogs had all the basic amenities. It was felt that there was no real need to bifurcate and create new gewogs. In fact, in a meeting held between the Hon'ble Prime Minister and the Department of Local Governance on 16th February

2012, it was decided to study the possibility of consolidating the gewogs. Given its importance, the issue was again discussed during the 4th session of the 2nd National Assembly where it was resolved that the Ministry of Home & Cultural Affairs in consultation with the National Land Commission and Election Commission of Bhutan shall carefully review the boundary issue between the Dzongkhags as well as the gewogs. However, the agencies concerned have not been able to show any progress until now.

Considering the problems arising due to large size of gewogs in terms of population and area, long travel on foot to gewog centers, inequitable development within the gewogs and difficulty in reaching administrative and management services efficiently, the NREC proposed bifurcation of some gewogs in Trashigang, Sarpang, Samtse, Samdrupjongkhar, Paro, Chhukha and Thimphu Dzongkhags. Similarly, the Committee proposed bifurcation and merger of chiwogs and villages in Samdrupjongkhar, Chhukha, Haa and Zhemgang Dzongkhags.

The National Council, after thorough deliberation on the issue, directed the Natural Resources & Environment Committee to submit its final report. The Committee while presenting its final report on 15/6/2015 submitted that the Government was currently working on the recommendations of the National Council and that the deliberation on the issue be deferred for some time. Moreover, the authority for delimitation vested only in the Election Commission of Bhutan. The House resolved to defer deliberations on the gewog rationalization as submitted. However, the Committee was directed to continue working on it and present its findings at an appropriate time in a subsequent session.

### **3. Report on Tourism Policy and Strategies**

The Hon'ble Member of Dagana Dzongkhag, Deputy Chairperson of the Economic Affairs Committee (EAC) submitted that in accordance with Articles 10(2) and 11(2) of the Constitution of Bhutan and Sections 7 and 10 of the National Council Act and further more in keeping with the decision of the 14th Session of the National Council, the Economic Affairs Committee had taken the responsibility of reviewing the country's tourism policy and strategies. He said that the Committee looked at documents related to tourism such as the 11th FYP Document, Tourism Strategy and Development Plan 2013-14, Draft Tourism Policy 2014 and Annual Tourism Report 2013. The Committee met with the relevant stakeholders and gathered suggestions. In order to collect more information and get a better understanding of the issue, the Committee was yet to hold meetings with Hotels & Restaurant Association of Bhutan, Guides Association of Bhutan, Royal Institute for Tourism & Hospitality and other relevant ministries/agencies.

The Hon'ble Member of Chhukha Dzongkhag, Chairperson of the Economic Affairs Committee said that Bhutan's tourism industry began in 1974 with the primary objective to generate revenue, alleviate poverty, create employment, and promote Bhutan's unique culture and tradition to the outside world. Since then the number of tourists visiting Bhutan had increased from just 287 in 1974 to over 116,209 in 2013 with revenue earning of USD 63.69 million in 2013. It had created more than 30,000 jobs till 2014.

Bhutan's tourism was based on high value and low impact implemented by the Royal Government. Tourism pricing was between USD 200 to USD 250 comprising

royalty, commission, tax and others including accommodation, internal transport and tour service charges, etc. Though, there was lot of opportunity for tourism sector to grow and expand, no definite policy and strategies were in place; thus the need for review.

The Committee had carried out a review and presented its observations to the House. Firstly, tourism business in the country was working in the absence of a comprehensive policy or legal framework other than the high value, low impact statement in the 11th FYP document. Secondly, the Draft Tourism Policy had failed to meet the GNH Commission screening tools depicting weak policy. As such, the Committee during its review and deliberations had focused mainly on cost structure, tourism management and operation, duties of people involved in tourism, financial policy, employment opportunity, regional tourists, FDIs, regional and periodical shares, etc. The Committee sought further suggestions, proposals and directives of the House to enable it to carry out its review works smoothly and come up with a meaningful report.

Since it was an interim report, the National Council did not have intensive deliberations. However, following were recommended for incorporation in the final report by the Economic Affairs Committee:

1. Instead of the Tourism Council, Department of Immigration is managing regional tourists. This needs to be reviewed to find out in detail what problems exist in the process. Similarly, the situation of the exchange of Indian Rupee (INR) needs to be studied;
2. To ensure balanced regional development, the review should aim at promoting tourism in the

southern and eastern regions for the benefit of the poor people.

3. Due to security concerns, tourists are restricted in places such as Samdrupjongkhar and Gelephu. To promote tourism in these places, it is important to review the current security problems. If problems exist, identify measures that need to be adopted to address such problems.
4. In most meetings, the Government has pledged to establish tourist facilities in the east and south. The review needs to look at whether such facilities have been put in place; if not, recommend what approaches need to be adopted.

*(Wednesday, 27th May 2015 corresponding to the 9th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

#### **4) Report on Hydropower Policy and Programmes**

The Hon'ble Member of Lhuentse Dzongkhag, Deputy Chairperson of the Ad hoc Committee submitted that the National Council during its 18th plenary session had constituted an Ad-hoc Committee to which the matter of policies and programmes related to hydropower projects was entrusted for review. He informed the House that the review was carried mainly to look at sustainability of hydropower projects, review power export taxes, increase employment for the Bhutanese, reduce corruption, review development of towns related to these projects and monitor community problems associated with explosives.

While carrying out the exercise, the Committee reviewed legislations, policy papers and other instruments that



currently guided hydropower development, sustainable hydropower development policy 2008 and policies and programmes of the completed and ongoing hydropower projects. In addition, the Committee met several organizations related to the hydropower sector such as Druk Green Power Corporation (DGPC), Bhutan Power Corporation (BPC) and Ministry of Economic Affairs and paid field visits to Kurichhu, Mangdechhu, Punatsangchhu I & II, and Dagachhu hydropower plants/projects.

The Hon'ble Member of Pemagatshel Dzongkhag presented the detailed observations. He reported that the agreement signed in 2006 between the Royal Government of Bhutan and the Government of India to import a minimum 5,000 MW of hydropower energy from Bhutan was revised in 2009 to import 10,000 MW of hydropower by 2020. In 2014, an agreement was signed between the Royal Government of Bhutan and the Government of India concerning establishment of Joint Venture hydropower development projects. The report also highlighted huge cost differences between Detailed Project Report (DPR) and the actual physical progress, change in grant and loan, and the quality of projects.

He said that based on these observations, the Committee's enquiries and studies consisted of reviewing the policy on financing and investment in the hydropower sector, making well founded detailed project report, considering the policy on sustainable management of environment, providing local employment, issues related to delay of the projects and the renewing of programmes.

The Hon'ble Member of Tsirang Dzongkhag also submitted that the interim report attempted mainly to

provide a basis for deliberations in the House and provide clarity for further review. The committee during the course of its review would also collect feedback which required additional time. Therefore, the Committee wanted to continue its work and present the full report in the next session.

As the report of the Ad-hoc committee on hydropower policy and strategies was not final, the National Council did not discuss it at length. However, the House provided the following important points to be incorporated in the final report for its deliberation during the 16th session:

1. Review the strategies framed by the Government for developing 10,000 MW of hydropower by 2020;
2. His Majesty the King has said that “hydropower is considered our nation’s most precious resource that belonged to all the people”. Therefore, while reviewing the policies, it must be ensured that such projects are not controlled by monopolies;
3. Risks of undue political influences in the operation and maintenance of such projects in future should be examined;
4. Review and present the reasons and justifications on the huge disparity between the Detail Project Report (DPR) and the actual cost of projects;
5. Look at the benefits of Joint Venture businesses;

6. Study thoroughly how hydropower projects have been able to provide employment to the Bhutanese and what strategies are in place to create more job opportunities; and
7. Review hydropower related agreements signed between India and Bhutan.

## **5. Report on Employment Policy, Programmes and Strategies**

The Hon'ble Member of Bumthang Dzongkhag, Chairperson of the Social & Cultural Affairs Committee (SCAC) said that the idea of reviewing the National Employment Policy and its programs and strategies was conceived during the in-house workshop held in Paro. The National Council during its 22nd plenary meeting then assigned the work to the Social & Cultural Affairs Committee. In the course of its review, the committee found that employment was one of the most pressing issues in the country. It had been discussed earlier both in the erstwhile National Assembly and the new Parliament. Various measures were already in place to confront the challenges.

Similarly, the Chairperson said that the Committee besides seeking presentations and holding consultation meetings with the various ministries such as Ministry of Labour & Human Resources, Ministry of Economic Affairs, Ministry of Agriculture & Forests and Ministry of Education had also visited some of the institutes.

He said that the unemployment rates have been fluctuating in recent years. In 1998, the total unemployment rate was 1.4% which rose to 4% in 2009 but fell again to 2.1% in 2012. However, the rate has again risen to 2.9% in 2013. According to the findings of the Committee, there were more job opportunities

offered in the private sector, construction sector, tourism sector and foreign direct investments companies.

The Hon'ble Member of Sarpang Dzongkhag said that while reviewing the National Employment Policy 2013, the committee examined the policy from five dimensions, viz., employment creation, employability of labour force, aligning employment market, working conditions and equal employment opportunities.

As the issue was broad, the Hon'ble Member of Samdrupjongkhar submitted that the Committee needed further consultations with relevant stakeholders for which field visits to various institutes were planned. He said that the interim report was presented with the view to receiving suggestions, recommendations and directives of the House that would help the Committee in carrying out further reviews.

Therefore, the National Council directed the Social & Cultural Affairs Committee to incorporate the following recommendations while reviewing the employment policy, programmes and strategies and to submit its final report during the 16th session:

1. The Government to explore the feasibility of giving land on lease to youths who have not availed employment opportunities after completing studies, depending on their interest, to start farming and businesses;
2. There appears to be a lack of coordination amongst the employing agencies; thus, a need to come up with a comprehensive coordination mechanism/strategy;

3. With respect to the overseas employment, workers should be sent out only after having been trained in the required skills within the country;
4. Strategies to address mismatch between job seeker and work place needs be developed;
5. Examine the reasons for the fluctuation in the rates of unemployment in recent years;
6. Carry out a detail review on employment policy, itself; and
7. As most of the job opportunities lay in the private sector, the Government to come up with strategies for private sector development.

*(Monday, 1st June 2015 corresponding to the 14th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **G. Issues related to Annual Reports**

### **1. Anti-Corruption Commission Report 2014**

The Good Governance Committee (GGC) after a thorough review presented the Annual Anti-Corruption Report 2014 focusing on the performance of the Anti-Corruption Commission (ACC) followed by international corruption scenario and other issues for deliberation.

While presenting the performance of the Anti-Corruption Commission, the Chairperson of the Good Governance Committee touched upon building the ACC as a credible and trust worthy institution which, among others, involved restructuring of the organization, embedding integrity, adopting an ethical code of conduct, putting in place a grievance redressal system, developing policies, procedures and manuals, and internal auditing. It also highlighted the ways and means adopted by the ACC to

curb corruption, ensuring effective investigation, complaints received, types of complaints and action taken against such complaints, prosecution referrals, disciplinary referral, systematic recommendations and restitution of proceeds of corruption. The report also included highlights of cases for the year, namely, high profile conflict of interest case, and fraud and corruption in the Thimphu land case.

According to the Annual Anti-Corruption Commission Report 2014, Bhutan was ranked by Transparency International (TI CPI) as the 30th least corrupt country with a score of 65, one rank higher than TI CPI 2013. The international standing on corruption is corroborated by Trends in Governance Indicators for Bhutan. The Global Competiveness Report also featured Bhutan for the first time.

The Good Governance Committee (GGC) also submitted few issues for further deliberation in the House. These included public procurement management, ACC's independence, administrative system deficiencies, lack of coordination among agencies, follow up on systemic review reports, lack of established system for judgment implementation and local government corruption.

The National Council after thorough deliberation on the Annual ACC Report 2014 on 01/06/2015 and 09/06/2015 resolved as follows:

**The National Council,**

- A. ***Respectfully*** recalling the command of His Majesty the King during the 107th National Day Royal address:

“The highest probable risk to development that I foresee is corruption. Our national

development efforts will be hindered by unchecked corruption. Corruption is unambiguous - there is no great or small corruption. And one can be above the law. But there is an even greater threat – ignoring corruption”;

B. **Acknowledging** that one of the five offerings which the Hon’ble Prime Minister made on the auspicious occasion of His Majesty’s 35th Birth Anniversary is to eliminate corruption from its roots; and

C. **Concerned that:**

- i. Major portion of the budget is allocated for procurement, and there is corresponding risk of corruption, wastage and lack of diligence in the public procurement management process;
- ii. There has been lack of effective follow-up on systemic studies conducted by the Anti-Corruption Commission (ACC) due to shortage of human resources and weak commitment from the concerned agencies;
- iii. There is no established system for the effective implementation of the judgment passed; and
- iv. Complaints received against the local governments are the highest among the total complaints lodged, which has direct impact on the effective delivery of services to the people.

## **Hereby recommends,**

### **1. The Royal Government of Bhutan to:**

- a) Periodically submit the progress reports of the mega projects to the Parliament, and include the budget allocated for these projects in the Annual Budget Report;
- b) Expedite enforcement of the Debarment Rule 2013;
- c) Ensure strict enforcement of the Code of Conduct and declaration of Conflict of Interest on the officials of the local governments;
- d) Promote social accountability programmes for the Local Governments; and
- e) Institute a designated unit under the Office of Attorney General to follow-up on the implementation of the judgment passed by the courts on cases it has prosecuted after being forwarded to it by ACC.

### **2. The Anti-Corruption Commission to:**

- a) Establish an effective appellate system for cases investigated by the Dzongkhag investigation team in collaboration with the Royal Government;
- b) Annex the log sheet of complaints received and actions taken in ACC's Annual Report;



- c) Include in the Annual Report the status of implementation of administrative actions taken by agencies to whom cases have been referred by ACC; and
- d) Share report on systemic studies with the National Council.

**3. The Royal Audit Authority to:**

- a) Include reports on mega hydropower projects in its Annual Audit Report.

**4. The National Council to:**

- a) Review challenges faced by stakeholders in public procurement; and
- b) Review implementation of the systemic improvement recommendations made by the ACC to the concerned agencies.

**Voting details on the adoption of recommendations on the Anti- Corruption Commission Report 2014**

Date: 09/06/2015: Time: 10:41 AM; Total Votes: 23; "YES": 23; "NO":0; "Abstain": 0

**Following voted, "YES"**

1. Hon'ble Tshering Dorji
2. Hon'ble Kuenlay Tshering
3. Hon'ble Karma Yezer Raydi
4. Hon'ble Tashi Wangmo
5. Hon'ble Tashi Wangyal
6. Hon'ble Karma Damchoe Nidup
7. Hon'ble Nima
8. Hon'ble Sangay Khandu (Gasa)
9. Hon'ble Sangay Khandu (Samtse)
10. Hon'ble Nima Gyaltshen

11. Hon'ble Pema Tenzin
12. Hon'ble Sonam Wangchuk
13. Hon'ble Jigme Rinzin
14. Hon'ble Rinzin Dorji
15. Hon'ble Jigme Wangchuk
16. Hon'ble Dhan Bdr Monger
17. Hon'ble Tashi Phuntscho
18. Hon'ble Kamal Bdr Gurung
19. Hon'ble Tashi Dorji
20. Hon'ble Pema Dakpa
21. Hon'ble Sonam Dorji
22. Hon'ble Tempa Dorji
23. Hon'ble Tharchen

*(Friday, 5th June 2015 corresponding to the 18th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **2. Special Report on the Import and Distribution of Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO)**

After a motion was first moved in the 11th Session of the National Council, the issue of the import and distribution of Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO) was introduced in the House for deliberation during the 12th Session. It was during the 13th Session that the National Council deliberated at length on the issue and passed a few resolutions which were submitted to the Royal Government and the relevant ministries for implementation. Additionally, the Royal Audit Authority (RAA) was asked to conduct a special audit to examine the possibility of illegal deflection of the two commodities across the border and to ascertain the cause of discrepancies in the LPG data between export by India and import by Bhutan.

The Hon'ble Member of Chhukha Dzongkhag, Chairperson of the Economic Affairs Committee (EAC)

underlined the close Indo-Bhutan diplomatic relationship and thanked the Government of India for its continued support in providing subsidized LPG and SKO besides others for the benefit of the Bhutanese people. He said that the Indian Oil Corporation Limited (IOCL) was the sole supplier of LPG and SKO to Bhutan. Bhutan Oil Corporation, Druk Petroleum Corporation Limited and Damchen Petroleum Distributors were the three agencies dealing in the import and distribution of the POL products in the country based on the subsidized rates regulated by the Government of India.

The EAC reported that as per the audit findings, there was no data discrepancy in LPG and SKO. However, the Royal Audit Authority (RAA) had recommended that the errors in compilation of import figures needed to be corrected and fundamental flaws in the pricing components be fixed, namely, dealers' commission, depreciation, loading and unloading charges be refunded, inspection of expired cylinders be carried out timely and deposit of insurance fees be ensured. The RAA had further recommended relevant ministries and agencies to develop policy guidelines, establish comprehensive database, take necessary actions on expired cylinders and recover the dishonest charges levied on the customers.

Although there was no illegal deflection across the border observed while reviewing the report, the EAC felt that there was still the need for more coordination amongst the relevant agencies to ensure that the services benefitted the people in the remote areas. This was also due to the fact that there were data errors while compiling and dishonest levy of charges on the customers.

The National Council after thorough deliberation on the Special Report on the import and distribution of Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO) on 5/6/2015 and 9/6/2015 resolved as follows:

**The National Council,**

- a. **Respecting** the sacred principles enshrined in Article 10.2 of the Constitution:  
  
“Parliament shall ensure that the Government safeguards the interests of the nation and fulfils the aspirations of the people through public review of policies and issues, Bills and other legislations, and scrutiny of State functions”;
- b. **Adhering** to Section 7 of the National Council Act which states that: “The National Council shall ensure that the Government safeguards the interests of the nation and fulfils the aspirations of the people through public review of policies and issues, Bills and other legislation, and scrutiny of State functions”;
- c. **Acknowledging** the importance of Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil (SKO) as essential commodities that all Bhutanese households should enjoy reliable and equitable access to;
- d. **Appreciating** the generous assistance of the Government of India to enable these two commodities to be accessed at subsidized rates by the people of Bhutan; and

- e. **Recognizing** the important need to uphold consumer welfare and protect citizens from unscrupulous business malpractices, especially in light of the current problems related to the import, distribution and pricing of the two commodities.

**Hereby calls upon the attention of the Royal Government to:**

1. Urgently develop a comprehensive legal and policy framework to govern the import and distribution of all POL products in the country including the need for the dealers to open outlets, especially in remote Dzongkhags and rural areas;
2. Establish proper coordination mechanism between Department of Trade and Department of Revenue & Customs collecting and maintaining data on the import and distribution of POL products;
3. Review the pricing structure of all POL products based on transparent and market-based conditions so as to correct the fundamental flaws currently existing in the pricing components of POL products as pointed out by the RAA;
4. Immediately, provide the Agreement signed between the Indian Oil Corporation Limited and Bhutanese POL dealers in the interest of transparency, consumer welfare and national efforts to fight corruption;
5. Immediately, rectify and address the safety issues pertaining to LPG cylinders in

circulation as the Audit Report 2015 points out that there are 74,460 expired cylinders posing serious threat to human lives and properties;

6. Require dealers to open separate bank account for the security deposit made for LPG cylinders and develop a policy framework to manage the security funds so as to ensure that the deposit is not misused for other purposes; and
7. Require the relevant government agencies to shoulder greater responsibility in upholding their agency mandates in implementing laws and policies, protecting consumer welfare and thus implement with utmost priority the recommendations made by RAA and submit an action taken report to RAA.

**Voting details on the adoption of recommendations on  
the Special Report on the import and distribution of  
Liquefied Petroleum Gas (LPG) and Superior Kerosene Oil  
(SKO)**

Date: 09/06/2015: Time: 11:21 AM; Total Votes: 24; “YES”: 24; “NO”:0; “Abstain”: 0

**Following voted, “YES”**

1. Hon’ble Tshering Dorji
2. Hon’ble Kuenlay Tshering
3. Hon’ble Karma Yezer Raydi
4. Hon’ble Tashi Wangmo
5. Hon’ble Tashi Wangyal
6. Hon’ble Karma Damchoe Nidup
7. Hon’ble Nima
8. Hon’ble Sangay Khandu (Gasa)
9. Hon’ble Sangay Khandu (Samtse)

10. Hon'ble KakaTshering
11. Hon'ble Nima Gyaltshen
12. Hon'ble Pema Tenzin
13. Hon'ble Jigme Rinzin
14. Hon'ble Rinzin Dorji
15. Hon'ble Jigme Wangchuk
16. Hon'ble Dhan Bdr Monger
17. Hon'ble Tashi Phuntsho
18. Hon'ble Kamal Bdr Gurung
19. Hon'ble Tashi Dorji
20. Hon'ble Pema Dakpa
21. Hon'ble Sonam Dorji
22. Hon'ble Tempa Dorji
23. Hon'ble Tharchen
24. Hon'ble Sonam Wangchuk

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

## **H. Other Proceedings**

### **1. Census transfer of Dramitse Gup to Ngatshang Gewog**

Hon'ble Member Tashi Wangmo, Chairperson of Good Governance Committee (GGC) submitted that as directed by the House during its 28th plenary meeting, the GGC reviewed the issue pertaining to transfer of Dramitse Gup's census from Dramitse to Ngatshang gewog. She said that the committee convened a meeting to discuss the issue in detail. Besides the members of the GGC, other members too participated in the meeting. The discussion was guided by two main objectives: a) to establish whether the case in question had violated any legal provision; and if so, b) to find and propose to the House an appropriate measure to deal with the issue.

Following a notification from the Election Commission of Bhutan (ECB), the incumbent Gup had transferred his census to Ngatshang gewog in November 2014. The case had never been raised as an issue by any of the authorities. Instead, the ECB had confirmed its stand via its letter addressed to the Reporter of Mongar Bureau that the transfer of Dramitse Gup's mitsi to Ngatstang gewog was not in breach of any electoral laws. However, the ECB had indicated that if the act of the Dramitse gup was found to be in breach of any other laws, the matter could be dealt with by the concerned authority.

In the Committee's view, the issue had breached Article 23, Section 3(b) and 2(c) of the Constitution of Kingdom of Bhutan and Section 178 (b) and 100 (b) of the Election Act of Bhutan. Though the Gup had the right to transfer his census as a Bhutanese citizen, transferring his census by being the incumbent Gup allowed him to serve in a constituency where he had no census; thus, it breached the law.

The ECB's reply to the BBSC reporter only indicates that its reasoning was more from an election process point of view. Since its mandate was only during the election and not in between the elections, it was incumbent upon the National Council as the House of Review to review if any of the elected members had breached the existing laws during ones term of office. As the Dramitse Gup had breached the provisions of the Constitution of the Kingdom of Bhutan and other legal provisions, most of the members supported the stand stating that in order to set the right precedent, the Government should be informed requiring it to take appropriate action to prevent occurrence of such bad practices in the future.



The Hon'ble Member of Mongar Dzongkhag clarified that Dramitse Gup had not intended to breach the law by transferring his mitsi, but had done it in adherence to a notification issued by the relevant authority. He expressed regret that the relevant authorities, who verified the census transfer, had failed to provide proper guidance. He said that they should be held accountable. However, some of the members pointed out that the Gup had not sought clarification from any of the relevant institutions and agencies although the notification was not specifically meant for Dramitse Gup. Therefore, they said that it was not appropriate to fix accountability on the authorities concerned.

The National Council after thorough deliberation on the issue of census transfer by Dramitse Gup on 8/6/2015 and 9/6/2015 resolved as follows:

**The National Council,**

1. **Respecting** the principles enshrined in the Constitution of the Kingdom of Bhutan that requires an elected member to be a registered voter of his/her constituency in order to secure an attachment to and a just representation of the interests of the constituency in the representative bodies;
2. **Noting** that the continued service of incumbent Dramitse Gup despite formally transferring his mitsi to Ngatshang gewog since November 2014, in contradiction to Sections 2(c) and 3(b) of Article 23 of the Constitution of the Kingdom of Bhutan, and Section 21 (b) of Local Government Act 2009 that requires a person to be registered in the civil registry of his/her constituency in order to be elected as a member of a local government;

3. **Acknowledging** that the Election Commission of Bhutan, considering its mandates to regulate candidates and political parties during the time of elections, has clarified that transferring mitsi is permitted by the Election Act;
4. **Cognizant** of the National Council's sacred duties to review issues of national importance and its continued role in upholding the Rule of Law and the establishment of right precedent for the future members of the elective offices;
5. **Considering** the urgency of the matter as several months have passed since the Gup concerned has been holding the elective office in the constituency where his mitsi is no longer registered in the civil registry of that constituency; and
6. **Noting** that the Ministry of Home & Cultural Affairs is the agency responsible for engaging the members of Local Government to comply with the provisions of the Local Government Act of Bhutan 2009 and rules and regulations made thereunder.

**Hereby,**

1. **Calls upon the attention of the Royal Government** to:
  - a. Take appropriate action on the matter; and
  - b. Incorporate in the Local Government Rules and Regulations, a clear procedure for disqualification of a member from an elective office.

## **2. The National Council to:**

- a. Submit to the Royal Government, a review report on this matter.

### **Voting details on the adoption of recommendations on the Census transfer of Dramitse Gup to Ngatshang Gewog**

Date: 09/06/2015: Time: 10:23 AM; Total Votes:24; “YES”: 23; “NO”:0; “Abstain”: 1

#### **Following voted, “YES”**

1. Hon’ble Tshering Dorji
2. Hon’ble Kuenlay Tshering
3. Hon’ble Karma Yezer Raydi
4. Hon’ble Tashi Wangmo
5. Hon’ble Tashi Wangyal
6. Hon’ble Karma Damchoe Nidup
7. Hon’ble Nima
8. Hon’ble Sangay Khandu (Gasa)
9. Hon’ble Sangay Khandu (Samtse)
10. Hon’ble KakaTshering
11. Hon’ble Nima Gyaltshen
12. Hon’ble Pema Tenzin
13. Hon’ble Jigme Rinzin
14. Hon’ble Rinzin Dorji
15. Hon’ble Jigme Wangchuk
16. Hon’ble Dhan Bdr Monger
17. Hon’ble Tashi Phuntsho
18. Hon’ble Kamal Bdr Gurung
19. Hon’ble Tashi Dorji
20. Hon’ble Pema Dakpa
21. Hon’ble Sonam Dorji
22. Hon’ble Tempa Dorji
23. Hon’ble Tharchen

#### **Following abstained from voting:**

1. Hon’ble Sonam Wangchuk

*(Friday, 29th May 2015 corresponding to the 11th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **I. Proceedings of Question Time**

### **1. Hon'ble Minister for Agricultural & Forest**

The Hon'ble Member of Lhuentse Dzongkhag enquired about the actual purpose of the establishment of ten mega projects with an investment of Nu. 700 million and whether these projects would be confined to processing of imported meat or be involved in professional culling. He also asked if processing of imported meat would address concerns of excessive meat and rupee outflow, whether certain degree of culling was entailed, and which particular projects would be involved.

In response, the Hon'ble Minister for Agriculture & Forest said that the ten mega projects were in accordance with the proposed activities of the 11th Five Year Plan mainly to enhance self-sufficiency in agriculture and dairy products. Additionally, it was to supplement further development of the present management of jersey, poultry, piggery and fishery. He further said that the establishment of processing units was to guarantee better product and ensure hygiene. He reaffirmed that there was no plan and separate policy programme to establish slaughter houses.

*(Friday, 5th June 2015 corresponding to the 18th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

### **2. Hon'ble Minister for Education**

The Hon'ble Deputy Chairperson of the National Council submitted that the Royal Government had initiated establishment of Central Schools with the intent of achieving quality education. In this regard, he enquired

how widely the consultative process was carried out for this initiative and what the contents of the plans and strategic considerations were to ensure that this initiative was sustainable.

The Hon'ble Minister for Education confessed that no special consultative meetings were conducted. However, he said that the matter was discussed during the process of making the Education Blueprint where nationwide discussions were held with the Principals and parents.

The Hon'ble Member of Bumthang Dzongkhag asked if the quality of education in other schools was not considered important by stressing more on the establishment of central schools. Further, the Hon'ble Member of Trongsa Dzongkhag enquired how much budget was allocated by the Government for the differently-abled children under age 2 to 9 years across the country.

In general, the Hon'ble Minister said that the Education Blueprint would be helpful, especially in improving the attitude and conduct of the students.

*(Friday, 5th June 2015 corresponding to the 18th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

### **3. Hon'ble Minister for Labour & Human Resources**

The Hon'ble Member of Samtse Dzongkhag asked what the plans of the Government were on the increase of the national minimum wage for the labor force considering the existing socio-economic realities.

Responding to the question, the Hon'ble Minister for Labour & Human Resources clarified that the minimum wage applied and extended to all the Bhutanese. If the minimum wage was increased, he said that there was

more damage than benefit. Hence, the minimum wage would remain the same for the next few years. The Hon'ble Minister, however, said that the Cabinet was studying the feasibility on this matter.

*(Thursday, 11th June 2015 corresponding to the 24th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

#### **4. Hon'ble Minister for Economic Affairs**

The Hon'ble Member of Pemagatshel Dzongkhag said that in accordance with the resolution of the 14th Session of the National Council, the Government had established the State Mining Corporation. However, the responsibilities of the Corporation contradicted the objectives of the National Council to engage the mining operators into a healthy competition. The Hon'ble Member asked why the Government had instead targeted the private sector development.

In response, the Hon'ble Minister for Ministry of Economic Affairs justified that the Government could not consider the resolution passed by the National Council as it was in contravention to the Constitution of the Kingdom of Bhutan and other laws. Moreover, he said that it was contradictory to the Economic Development Policy (EDP) as well as the resolutions passed by the National Council during its 10th Session.

As a follow up, the Hon'ble Member of Samtse Dzongkhag asked why the Ministry of Economic Affairs was reluctant or unable to implement the law both in letter and spirit when Section 32 of the Mines and Minerals Management Act 1995 provided significant authority to the Ministry of Economic Affairs to suspend or terminate a mining lease if the lease contravened any provision of the Act.

With regard to termination of mining leases of defaulting companies, the Hon'ble Minister said that the issue pertained mainly to two quarries not registered with the Department of Revenue & Customs and there was no specific mention of it in the law. Moreover, as the collection of income tax was done by RRCO, Ministry of Economic Affairs had no direct involvement in it.

*(Friday, 12th June 2015 corresponding to the 26th Day of the 4th Month of Wood Female Sheep Year of the Bhutanese Calendar)*

## **5. Hon'ble Minister for Works & Human Settlement**

The Hon'ble Member of Trongsa Dzongkhag pointed out that as per the Road Act of Bhutan 2013, the road right of way on national highways was 50 feet from the centerline of a road on either side. Accordingly, while in some Dzongkhags houses were being dismantled, yet in some others nothing was being done. The Hon'ble Member asked when the Government was going to enforce the Road Act, uniformly. He also enquired why the Government was not paying the people full compensation for the land falling within the 50 feet road right of way.

On this, the Hon'ble Minister for Works & Human Settlement said that while the cases that existed before the enactment of Road Act could not be processed, implementation of the law was carried out on those constructions done after the enactment.

Some of the members enquired on how the compensations were paid to the affected landowners between Riphel and Koshala during construction of the national highway. They not only questioned the genuine need to maintain 50ft on either side of the road, but also asked if the houses built within 50ft of the road right of

way could be renovated and how the compensations in such instances were paid.

Responding to the above, the Hon'ble Minister said that the main reason for maintaining 50ft on either side of the road was to meet the demand for future development activities and that the compensations were being paid as per the existing rules.

## **J. Closing Ceremony**

### **1. Closing Address of the Chairperson**

The Hon'ble Chairperson said that the National Council was able to conclude its 15th Session successfully without any problem because of the blessings of *kenchoshum* and wise guidance of His Majesty the King and His Majesty the Fourth Druk Gyalpo. He also attributed the success of the session to the *zhung dratshang* and other religious institutions for their prayers, and the Hon'ble Members for their relentless efforts towards fulfilling the national objective of unity and solidarity.

The main agenda, the Hon'ble Chairperson said, consisted of legislative and policy issues based on the four pillars of Gross National Happiness. For the fruitful deliberations, he also thanked the Secretary General, Director and staff of the National Council Secretariat for their continued support, Bhutan Broadcasting Service for the live broadcast of the deliberations without variations, the staff of the Department of National Properties for making all the logistic arrangements and the Royal Bhutan Police for providing security within the parliamentary precincts.

The Hon'ble Chairperson directed the Secretariat to distribute the resolutions to the agencies concerned and compile follow up reports by 15th October 2015. The



Secretariat was also directed to prepare and share legislative briefs and gist of the resolutions with the Hon'ble Members to enable them to inform the people in their respective constituencies. The Hon'ble Chairperson distributed and assigned the following review works to the different committees to prepare for the 16th Session. He asked the committees to present their work plan during the plenary meeting on 29th June 2015. Based on the work plan, they were asked to present the progress report during the next plenary meeting scheduled for 30th July 2015.

**A) Economic Affairs Committee**

1. Companies (Amendment) Bill of Bhutan 2014
2. European Investment Bank (EIA) Framework Agreement
3. Tourism Policy and Strategies

**B) Good Governance Committee**

1. Policy Formulation Protocol
2. Local Government Diagnostic Study

**C) Natural Resources & Environment Committee**

1. Enterprise Registration Bill of Bhutan 2014

**D) Social & Cultural Affairs Committee**

1. Employment Policies, Programs and Strategies

**E) Ad-hoc Committee**

1. Hydropower Policies and Programs
2. SAARC Framework Agreement for Energy Cooperation

**F) Legislative Committee**

1. Jabmi Act (Amendment) Bill of Bhutan 2014

2. United Nations Convention against Corruption  
(UNC)

In commemoration of the 60th Birth Anniversary of His Majesty the Fourth Druk Gyalpo this year, the 15th Session of the National Council concluded with prayers for his long life and *zhabten* to His Majesty the King, His Majesty the Fourth Druk Gyalpo and Her Majesty the Gyaltshen.

(Dr. Sonam Kinga)

**Chairperson**

**National Council of Bhutan**