

PARLIAMENT OF BHUTAN



PROCEEDINGS AND RESOLUTIONS (TRANSLATED) OF THE NINETEENTH SESSION OF THE NATIONAL COUNCIL OF BHUTAN

(13th Day of the 3rd Month to 25th Day of the 4th Month of the
Fire Female Bird Year Corresponding to 8th May to 19th June
2017)

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Proceedings and Resolutions (Translation) of the 19th Session of the National Council of Bhutan

(Monday, 8th May 2017 corresponding to the 13th Day of the 3rd Month of Fire Female Bird Year of the Bhutanese Calendar)

A. Proceeding for the Opening Ceremony

The 19th Session of the National Council of Bhutan commenced on 8th May 2017 corresponding to the 13th Day of the 3rd Month of Fire Female Bird Year of the Bhutanese Calendar with traditional *Marchhang Tendrel* ceremony presided over by the Hon'ble Chairperson.

B. Opening Address of the Hon'ble Chairperson

The Hon'ble Chairperson in his opening address said that the opening ceremony of the 19th Session of the National Council is coinciding with the 9th year since the establishment of democracy in the country and the 9th Session of the Second Parliament. He thanked and congratulated the Hon'ble Members of the National Council and all the Secretariat staff on the auspicious day. Similarly, he also expressed his gratitude to the Hon'ble Prime Minister and the Health Minister for attending the opening ceremony. In addition he expressed special gratitude towards the Hon'ble Prime Minister for always taking part in the opening ceremony of the National Council.

He reminded the Hon'ble Members that there is only one year and two days left for the term of the National Council to come to an end. In this regard, he expressed his esteemed gratitude to all the Hon'ble Members of the National Council for carrying out their responsibilities in accordance with the wise advice and guidance of His Majesty the King. Citing an example, he said that if we want to please our root teacher, we have to bestow presents and offerings and if we want to further please

him, then we have to fulfil the advice of our root teacher appropriately. In the same way, he said that if we carry out the wise advice and guidance of His Majesty the King appropriately, then we can entirely fulfil the aspirations of His Majesty the King.

Likewise, he said that the core mandate of the National Council is for each of the Hon'ble Members to remain apolitical and not be bound by political parties. As this is very important, he said that he has reminded the Hon'ble Members in the past as well and in addition he extended a special reminder today, during the opening ceremony of the National Council. This is mainly because of various rumors that are spreading in towns and moreover it is likely that there will be various types of lobbying from political parties to persuade the Hon'ble Members to join their Party. Therefore, he reminded each and every Hon'ble Member that it is very important to uphold the core mandate of the National Council and remain apolitical with utmost loyalty.

The Hon'ble Chairperson said that the term of the National Council will expire next year in 2018 and there is only one more session left for the Second term of the National Council. Therefore, it is very important to deliberate any types of bills related to government policy in the current session. He said that during the current 19th session, the National Council shall be deliberating on the Audit Bill, two International Agreements and Budget and Appropriation Bill under legislative related issues. Similarly, the House shall deliberate on the Review Report on Cultural Heritage, Tax Audit Report on Tour Operators and the Third Pay Commission Report under issues related to review of policies.

In addition, the Chairperson also said that the reports collected by the Hon'ble Members after interacting with

the people from their constituencies are not assured of direct deliberation in the formal session. However, in accordance with the past practices, the issues are selected by the House and submitted to the government ministries and agencies through the Hon'ble Prime Minister. He said that the House will collect beneficial responses on such issues.

In conclusion, the Chairperson prayed for the successful conclusion of the 19th session of the National Council without any problem and misfortune by the blessings and prayers of *Lamas, Truelkus* and all religious bodies in Bhutan headed by His Holiness the Je Khenpo.

C. Implementation Report on the Resolutions of the 18th Session of the National Council

The National Council during its 18th Session deliberated on four issues related to review of policies and submitted its recommendations to the government and relevant agencies for implementation and assurances. The relevant committees of the National Council reported the implementation reports as given in Annexure I.

On this, most of the Hon'ble Members submitted that the assurances provided for the current reports were much better compared to the past implementation reports and said that they were convinced and also appreciative for providing with clear responses. However, they submitted that some sections were identified not because they were unsatisfactory but due to a requirement to include additional information in those sections.

On this, the National Council submitted a thorough report on 8/5/2017 and 9/5/2017 and resolved that a

separate report on the assurances provided by the government from the implementation reports be submitted again to the government as a reminder on the sections which are acknowledged by the government. It was also resolved that measures to obtain additional information needs to be arranged on some sections if there are any issues of dissatisfaction and for clarification purpose on some sections, the conduct of proceedings of question time both oral and written needs to be arranged.

(Wednesday, 10th May 2017 corresponding to the 15th Day of the 3rd Month of Fire Female Bird Year of the Bhutanese Calendar)

D. Legislative Issues

1. Introduction of the Audit Bill of Bhutan 2016

The Member-in-charge of the Audit Bill of Bhutan, the Chairperson of the Legislative Committee, Hon'ble Member of Trashiyangtse Dzongkhag said that the Audit Bill was initially submitted to the National Council last year in 2016. However, it could not be deliberated in the last session as it was not in accordance with the procedures to introduce a new Bill. Hence, he moved a motion to introduce the Bill for deliberation in the current 19th Session.

Similarly, tabling it as a new Bill is because of certain limitations in the previous Audit Act of 2006 impeding effective functioning and to consolidate with the provisions of the Constitution. Moreover, the previous Act does not include the provisions on auditing of natural resources of the country, limitations on unhindered access to information and lack of adequate independence over human resources and finance. Likewise, according to international experts, there are reports on impact of reservations on independent

functioning of the Audit Authority and to constitute an Advisory Board for collective decision-making. Hence, as significant changes were made to the existing Act exceeding 50 percent of its contents, a new Bill is being tabled instead of the proposal to amend the current Act.

He said that principal objectives of the Bill are to promote accountability, transparency, integrity and value for money in public operations; to carry out the audits without fear, favour or prejudice; and to protect constitutional independence of Authority. Further, to boost their determination by rewarding officials in recognition of their service while rendering the public services.

Hon'ble Karma Tshering, the Deputy Chairperson of the Legislative Committee reported that subsequent to the directive of the House to review Audit Bill by the Legislative Committee, the Committee carried out extensive review works by having consultative meetings with the Royal Audit Authority and 14 stakeholders to collect their views and opinions. On this note, he said that along with the Audit Bill, draft Audit Rules and Regulations and Financial Memorandum has been submitted as per requirement of the National Council. It was reported that, as per the Financial Memorandum, additional financial implication of the new Bill for the Audit Authority is estimated to be only 30% of the finances.

After the extensive review by the Legislative Committee, in order to ease in the deliberations of the National Council, a total of 46 sections in the Bill are recommended for change and other sections of the Bill have been recommended to be adopted as in the original Bill.

1.1. Deliberations and Adoption of Audit Bill of Bhutan 2017

The National Council deliberated on the Audit Bill of Bhutan 2017 on 10/5/2017, 11/5/2017, 12/5/2017 and 29/5/2017. The following amendments and changes were made which shall be submitted to the National Assembly for deliberation as per the legislative procedures.

Section 1

This Act shall:

- (1) Be called “The Audit Act of the Kingdom of Bhutan 2017”;
- (2) Come into force on the _____ Day of the Month of the Year of the Bhutanese Calendar, corresponding to _____ 2017; and

Section 4

Amended in Dzongkha

Section 5

The Authority shall be ~~a an independent and~~ non-partisan institution headed by the Auditor General.

Section 6

The Auditor General shall be assisted by ~~the an~~ Advisory **Committee** ~~Board of the Authority established under this Act~~ **in discharging his or her mandates including, making major policy and executive decisions of the Authority.**

Section 7

The Authority shall have its Headquarters in Thimphu, **and** regional offices established in ~~Dzongkhags and strategic locations~~ as may be required for its effective functioning.

Section 9

The Authority shall enjoy full functional independence including Planning and programming, investigative **auditing** and reporting.

Section 14

~~As part of the mechanism instituted by the Parliament~~
As per section 13 in this Act, the Authority shall have right to appeal to the Parliament if it considers that funds provided to the Authority are not adequate to carry out its functions effectively.

Section 15

~~The Authority's budget shall be directly charged to the consolidated fund by Parliament.~~ In case of the decision of Parliament on National Budget is delayed, ~~the~~ **Ministry of Finance** Authority shall be provided **the Authority** with interim funds, which shall be at least equal to the previous year's **current** budget.

Section 16

~~The Authority shall utilize funds from the Audit Recoveries Account maintained by the Authority, not exceeding twenty percent of its previous year's recurrent expenditures when the approved annual appropriation is insufficient for effective implementation of its mandate.~~

Section 26

The salary, allowances, benefits and other service conditions of the Auditor General shall be as prescribed by ~~Parliament from time to time~~ **the Entitlement and Service Conditions Act for the Holders, Members and Commissioners of the Constitutional Offices.**

Section 31

Except for the Auditor General, the service conditions of the employees shall be broadly ~~governed~~ **in accordance with** ~~by~~ the Civil Service Act.

Section 32

~~All employees of Authority including the Auditor General shall be entitled to receive 30% Migsel Soelra granted under Royal Decree in addition to the normal pay and allowances of the civil servants.~~

Section 34

The Auditor General shall, during his **or her** temporary absence from the office, designate Joint Auditor General or in his **or her** absence, a Deputy Auditor General to carry out routine functions of the Authority.

Section 36

The Auditor General shall:

2. Carry out his responsibilities with utmost loyalty and dedication to the Tsa-wa-Sum, unaffected by any consideration for those in positions of power and influence and showing no discrimination whatsoever in the line of his **or her** work;

7. ~~Inform~~ **Forward** significant fraud and corruption cases to Anti-Corruption Commission, requiring further intervention by the Anti-Corruption Commission as deemed necessary by the Auditor General; and

Section 38-48

~~Establishment of the Advisory Board of the Authority~~

- ~~38. The Authority shall establish the Advisory Board of the Authority, herein after referred to as the Board, which shall assist the Auditor General in discharging his mandates including making major policy and executive decisions of the Authority.~~
- ~~39. The Board shall consist of the Auditor General, Joint Auditor General and all the Deputy Auditors General.~~
- ~~40. The Auditor General shall be the chairperson of the Board the Head of Policy and Planning Division as the Member Secretary to the Board.~~
- ~~41. The presence of at least two third members shall form the quorum of a Meeting.~~
- ~~42. The Board shall meet at least four times annually at a time and place as determined by the Auditor General.~~
- ~~43. The agenda and Minutes of the Meeting shall be documented and duly authenticated under the signatory of the Auditor General and the Member Secretary.~~
- ~~44. The Joint Auditor General shall be the Vice Chairperson of the Board.~~

~~45. The Auditor General may require such other person or persons of the Authority to attend any Board Meetings as invitee to provide expert opinion or provide information and explanations on specific items of the agenda.~~

~~46. Decisions of the Board shall not be invalidated merely because of procedural defects in convening the meeting.~~

Functions of the Board

~~47. The Board shall assist Auditor General to:~~

- ~~(1) Make strategic decision and set priorities of the Authority;~~
- ~~(2) Approve strategic, operational and annual plans of the Authority;~~
- ~~(3) Determine organizational structure and staffing pattern of the Authority in accordance with the Civil Service Act;~~
- ~~(4) Issue terms of reference for various committees established;~~
- ~~(5) Adopt regulations framed under this Act;~~
- ~~(6) Review and endorse Human Resource plan;~~
- ~~(7) Monitor all appointments carried out by the Human Resources Governance Committee as may be required;~~
- ~~(8) Select officials of the Authority for secondment or deputation;~~
- ~~(9) Approve and issue auditing standards, manuals, guidelines developed by experts or adopt standards~~

~~and guidelines issued by recognized national or international standard setting bodies;~~

- ~~(10) Review and endorse the decisions taken by other Committees as may be required by the Auditor General;~~
 - ~~(11) Approve arrangements with internal auditors upon satisfying itself of the work performed by the Internal Auditors ;~~
 - ~~(12) Approve strategies and plans of Training Center including training programmes and qualifications;~~
 - ~~(13) Make decision on any other matters as may be required by the Auditor General; and~~
 - ~~(14) Institute award schemes to employees of the Authority, audited entities and others as provided in Section 68 (23) &(24) of this Act.~~
48. ~~The Board members shall be collectively responsible for their actions and decisions.~~

Section 49

The Auditor General shall have the moral integrity required to competently, efficiently and professionally carry out his **or her** tasks.

Section 51

The Auditor General shall ensure that his **or her** conduct is consistent with the dignity, reputation and integrity of the Authority and the sovereignty and integrity of Kingdom of Bhutan.

Section 52

The Auditor General shall have a duty to account and

be held accountable for the policies, decisions and actions of his **or her** own and of the Authority.

Section 56

The decisions and actions of the Auditor General shall be transparent and he **or she** shall give reasons for his **or her** decisions.

Section 57

The Auditor General having been entrusted with the sacred responsibility to serve the Tsa-wa-Sum, shall:

- (2) Not do or direct to be done, in abuse of his **or her** office or power, any act prejudicial to the rights of any other person knowing that such act is unlawful or contrary to any government policy;
- (5) ~~The Auditor General shall~~ not accept any gifts **or** presents ~~or benefits~~ **except as permitted by relevant laws.**

Section 58

The Auditor General shall ensure that no conflict of interest arises or appears to arise, between his **or her** public duties and his **or her** private interests, financial or otherwise.

Section 60

The Auditor General shall:

- (1) Declare the assets and liabilities, including the assets and liabilities in the name of his **or her** spouse and dependents within three months after the appointment, annually thereafter and three months before leaving the office, to the Anti-

Corruption Commission;

- (3) Not hold chairmanship or membership in a public or private company whether it carries remuneration or is honorary other than as may be required in his **or her** official capacity as the Auditor General;
- (4) Not act as consultant to any company, business or association or provide assistance to any such body, except as may be appropriate in his **or her** official capacity as the Auditor General;
- (5) Not be a member of, belong to, or take part in any society the membership of which is incompatible with the functions or dignity of his **or her** office; and

Section 63

The Auditor General may exclude an official from an audit if he **or she** considers there is a reasonable cause to doubt the existence of a conflict of interest.

Section 64

The employees of the Authority shall comply with the Oath of Good Conduct, Ethics and Secrecy of Auditors of the Authority, prescribed under the Civil Service Act and **other relevant** INTOSAI Code of Ethics ~~prescribed for the Supreme Audit Institution's Auditors.~~

Section 65

Violation of this Act by the Auditor General shall be a ground for his **or her** impeachment. ~~for misbehavior as per the impeachment Act.~~

Section 67

If the conduct constitutes a criminal offence, he **or she** shall be punishable under applicable laws.

Section 68

The Authority shall have powers to:

- (8) Enter into Memorandum of Understandings, Statement of Commitments or any other institutional cooperation including becoming member of national or international professional bodies, institutions and organizations on such matters including professional development of the Authority **in accordance with the governing policies and procedures of the Government;**
- (9) Determine and collect fees for trainings and use of its facilities **in accordance with any other laws;**
- (11) Provide the Parliament, Government and any public entity ~~with comments or~~ **its** professional opinion on ~~financial and other bills,~~ policy and legal framework and matters relating to financial management or others as deemed necessary for effective discharge of the Authority's functions;
- (14) Charge audit fee from ~~non-governmental organizations and~~ international agencies **and others as determined by the Authority from time to time** for audit services rendered **in accordance with any other laws;**
- (16) Require the audited agencies **in consultation with the concerned audit team** to fix the accountability **through signing of accountability statement** for audit observations for the financial, compliance, performance audits and any other audits in a transparent and fair

manner within time frame prescribed by the Authority;

- (17) ~~Fix the accountability on the individual responsible or those collectively responsible for the irregularities and any loss sustained by the Government due to acts of fraud or negligence, If the auditee agency fails to~~ **take action as per Section 68 (16) above, the overall supervisory accountability** ~~submit the accountability statement within the stipulated timeframe. The supervisory accountability in cases of failure of audited agency to submit the signed accountability statement shall invariably be fixed on the head of auditee agency;~~
- (18) Receive and hear complaints from those who have been unfairly or wrongly held accountable and included in the Accountability Statement ~~by the management;~~ and may if considered necessary ~~by it,~~ independently ascertain whether the process of fixing the accountability ~~by the management~~ is fair and transparent and that the accountability is fixed only on those responsible for the lapses, losses and irregularities;
- (26) Cooperate with international and regional accounting and auditing associations and bodies in the development and application of the **generally** accepted auditing standards, principles and practices in line with acceptable international standards and practices; and

Section 69

The Authority shall have powers to:

5. Re-audit accounts and operations of any

organization or its specific matter and account under its jurisdiction if considered necessary by the Auditor General **subject to the conditions that there are additional evidences and information to do so;**

Section 72

~~Final Authority to settle or resolve any audit observations shall rest with the Authority.~~

Section 73

The Authority shall have the power to frame rules and regulations, policy, procedures and guidelines as may be required for effectively carrying out its functions, duties and responsibilities provided under this Act. ~~Which may cover, but not limited to, the following matters?~~

- ~~(1) Fixing accountability and procedures for final clearance of names from the Accountability Statement included in the audit reports;~~
- ~~(2) Processing and issuing audit clearance certificates;~~
- ~~(3) Operations of Audit Recoveries Account;~~
- ~~(4) Empanelment of private firms and outsourcing audit services of certain categories of entities;~~
- ~~(5) Access to information, accounting records, information and documents: Receipt and return of files and documents;~~
- ~~(6) Develop Investigative auditing procedures designed to increase the likelihood of detection of fraud and corruption thereby reducing the~~

incidence of their occurrences;

- ~~(7) — Electronic communication in audit ;~~
- ~~(8) — Conduct of Advisory Board Meetings;~~
- ~~(9) — Responses to preliminary audit observations and final audit Report;~~
- ~~(10) — Levying Penalty on recoverable amounts;~~
- ~~(11) — Security, safety and safeguards of Office premises;~~
- ~~(12) — Handling of complaints, feed backs and suggestions;~~
- ~~(13) — Information Technology system development, infrastructure and security;~~
- ~~(14) — Continuous Professional Development and trainings;~~
- ~~(15) — Operation of Training Centre;~~
- ~~(16) — Instituting schemes for Award and Citations;~~
- ~~(17) — Publication of Audit and other Reports;~~
- ~~(18) — Research in audit methodologies and practices;~~
- ~~(19) — Disciplinary proceedings and actions;~~
- ~~(20) — Retention and destruction of audit reports;~~
- ~~(21) — Follow up of audit reports and resolving audit observations;~~
- ~~(22) — Powers and authority of Acting Auditor General, and~~

~~(23) — Reliance on the work of internal auditors.~~

Section 74

In the exercise of the duty mandated under this Act the Authority shall have the powers to:

- (1) ~~Unhindered~~ **Access** to all of books, accounts and related records, personnel records, information, performance monitoring and evaluation reports, records and reports pertaining to internal audits, and such other records, reports and documents as may be required for **auditing purposes**, ~~wherever such records are kept;~~
- (2) Access to bank statements of agencies audited, suppliers, ~~taxpayers~~ **individuals** and other third parties in accordance with the laws, if required by the Authority;
- (3) Enforce or initiate enforcement action to secure access to needed records, which are not produced. The Authority may seal, search and seize documents and other related records **in accordance with the laws**, and keep those under proper custody and control where it is considered necessary for its audit or where circumstances indicate possible risks of loss or manipulations of information and documents;
- (6) Enter into agreements or arrangements with relevant agencies outside the country for securing needed access to premises and records, information and documents in relation to public operations **in accordance with governing policies and procedures of the Government;**
- (8) ~~Obtain copies of any documents or materials,~~

aAccess to premises, office space and other facilities;

Section 75

The Auditor General or anyone authorized by him **or her** upon written notice may require anyone currently or previously involved in the activities under audit to:

Section 79

The Auditor General may delegate his **or her** powers to employees of the Authority but such delegation shall not absolve **the Auditor General** ~~him~~ of his **or her** responsibilities assigned under this Act.

Section 96

~~Carry out review of~~ **Provide comments and views on** fiscal and macro-economic sustainability, fiscal and monetary and such other policies relating thereto as the Authority may consider appropriate.

Section 99

~~Operate~~ **Maintain** Audit Recoveries Account ~~maintained~~ with the designated Bank. ~~of the Government~~

Section 103

The Authority shall conduct audits of the following:

- (9) All state enterprises in which government has stake, financial institutions including the Central and other Banks and their subsidiaries established under the laws of Bhutan in which the Government has an ownership interest;

Section 104

Notwithstanding the provision of any laws relating to the accounts, and audit of any public/**private** entities, the Parliament, by resolution, may request **direct** that the accounts of such entities be audited by the Authority.

Section 105

~~Except the requirement for conducting audit under Section 103 subsection (14) of this Act, the Auditor General may exercise his discretion on any request or directives received for conducting audits having regard to its audit plans and priorities.~~

Section 106

~~The Auditor General shall be adequately consulted by the entity prior to entering into agreements with donors and others which would require audit services of the Authority for effective delivery of audit services.~~

Section 107

The Authority shall establish **its own** auditing, reporting standards and practices that will meet the highest auditing and reporting standards.

Section 110

The Authority may rely **and use** ~~on the~~ **reports of the** audits performed by other organizations including internal auditors if **they** ~~it has reasonable assurance through such means as prior experience, tests or other indicators that the audits and the reports on those audits are accurate, reliable and meet its~~ **conform to the** standards **acceptable to the Authority.**

Section 114

~~The Authority may rely and use the work of internal auditors, depending on the extent, nature and scope of the work performed by the internal auditors.~~

Section 126

Confidential information may be covered in a separate report which shall not be divulged or released prior to its authorized release, or revealed to other parties not concerned, without prior clearance and approval of the Auditor General or his **or her** duly designated representative.

Section 127

~~The Authority shall submit copies of the Audit Report to the Druk Gyalpo, the Prime Minister, the Chairperson of the Royal Civil Service Commission and the Chairperson of the Anti-Corruption Commission, where audit observations are of serious nature requiring urgent attention.~~

Section 131

Any other matter based on audit observations that the Auditor General, in his **or her** opinion, considers to be significant and of a nature that needs to be brought to the attention of His Majesty the Druk Gyalpo, the Parliament and the people of Bhutan.

Section 136

The Authority shall endorse copies of the Annual Audit Report to the Lhengye-Zhungtshog, Chief Justice of Supreme Court, Chief Justice of High Court, the Heads of the Constitutional offices, Secretaries of Ministries, Heads of Autonomous Agencies, all Dzongdags, Gups, Thrompons, Chairperson of Druk Holding Investment

Ltd. and Chief Executive Officers of the Corporations and Financial Institutions.

Section 140

~~All recoveries shall be deposited into the Audit Recoveries Account maintained by Authority and recoveries pertaining to cases under litigation shall not be remitted to Ministry of Finance until the case is finally resolved.~~

Section 142

The Authority shall issue reminders on reports not being acted upon and ~~is~~ **if** there be further non-compliance and non-cooperation, a defaulting agency shall be questioned and required to submit explanation.

Section 144

~~The Auditor General may designate the Joint Auditor General or Deputy Auditor General to represent the Authority on the Finance and Audit Committee Meeting(s) to review unresolved financial irregularities as stipulated in the Public Finance Act.~~

Section 152

The Parliament may appoint or authorize the Public Accounts Committee to appoint independent auditors for a term **not exceeding** ~~of three years out of the Panel of Firms maintained by the Authority~~ for auditing the annual accounts of Authority.

Section 157

The Audit Committee of the Authority constituted under section 68(~~24~~25) of this Act shall provide appropriate Terms of Reference and oversee the effectiveness of

internal audit and take actions on internal audit observations.

Section 159

The Auditor General, or anyone designated to do so by him **or her** from the Authority may provide advice or information to a person or entity relating to the responsibilities of the Authority.

Section 166

A person commits an offence ~~of: —obstruction to the lawful Authority if a person:~~

- (1) **If a person willfully obstructs the Auditor General or any person authorized by the Auditor General in the performance of his or her functions under this Act ; or refuses or fails to give to the Auditor General or any person authorized by the Auditor General, access to any property, books, record, or other documents, information referred under this Act;**
- (2) **If a person knowingly presents a false or makes false statement with intent to deceive or mislead the Authority;**
- (3) **If a person fails to provide written replies to audit observations within the timeframe stipulated by the Authority; or fails to furnish Action Taken Report on the audit report within the timeframe stipulated by the Authority.**

Section 167

Person who is found guilty of:

- (1) **An offence under subsections 166 (1) and (2) shall be liable for petty misdemeanor.**
- (2) **An offence under subsection 166(3) shall not be issued an Audit Clearance Certificate and shall also be liable for administrative action, if necessary.**

Section 171

The use of ~~masculine gender shall include the feminine gender and~~ singular shall include the plural.

New Insertion after Section 171

The amendment of this Act by way of addition, variation or repeal shall be effected by the Parliament.

Definition 12

~~“INTOSAI” means the International Organization of Supreme Audit Institutions is an international and independent body which aims at promoting the exchange of ideas and *experience* between Supreme Audit Institutions in the sphere of public financial control.~~

New Insertion after Definition 11

“Investigative auditing” refers to detailed and in depth examination and analysis of accounts and the use of accounting procedures designed to enhance the likelihood of finding of financial irregularities, fraud and corruption.

New Definition

(15) “Public interest” means in which society has a stake.

New Definition

(16) “Public Resources” includes public money, stores, property, assets, loans and investments.

Voting details on the adoption of the Audit Bill of Bhutan 2016

Date: 29/5/2017; Total Votes: 21; ‘YES’: 21; ‘NO’: 0; ‘Abstain’: 0

The following voted ‘YES’:

1. Hon’ble Tashi Wangyal
2. Hon’ble Phuntsho Rapten
3. Hon’ble Tashi Wangmo
4. Hon’ble Pema Dakpa
5. Hon’ble Dhan Bdr. Monger
6. Hon’ble Sonam Dorji
7. Hon’ble Sangay Khandu (Gasa)
8. Hon’ble Tashi Phuntsho
9. Hon’ble Tashi Dorji
10. Hon’ble Sangay Khandu (Samtse)
11. Hon’ble Jigme Rinzin
12. Hon’ble Jigme Wangchuk
13. Hon’ble Nima
14. Hon’ble Kamal Bdr. Gurung
15. Hon’ble Rinzin Dorji
16. Hon’ble Kaka Tshering

17. Hon'ble Tharchen
18. Hon'ble Tempa Dorji
19. Hon'ble Pema Tenzin
20. Hon'ble Sonam Wangchuk
21. Hon'ble Karma Tshering

(Friday, 12th May 2017 corresponding to the 17th Day of the 3rd Month of Fire Female Bird Year of the Bhutanese Calendar)

2. Introduction of the Paris Agreement on Environment Protection and Conservation Including Issues Related to Climate Change

The Member-in-Charge of the Paris Agreement, the Hon'ble Minister for Agriculture and Forests said that due to the grace of our Monarchs, Bhutan has been a rich country in terms of its natural environment and there are relevant laws and policies in place with the objective to sustain the natural beauty of our country in the future. However, due to problems related to climate change globally and to address the deteriorating conditions, the Paris Agreement on Environment Protection and Conservation Including Issues Related to Climate Change was adopted on 12th December 2015 in Paris, France. The Paris Agreement which was signed by 175 countries was submitted to the National Assembly during the 8th Session of the Second Parliament for ratification. He submitted that it is now being introduced in the National Council for ratification.

The Hon'ble Minister said that the Paris Agreement was signed on behalf of Bhutan by the Ambassador, Permanent Mission of Bhutan to the United Nations. Today, out of 175 countries that have signed the Agreement, only 42 countries have not ratified the Agreement. He also informed the House that an

assessment on the consistency of the Agreement with our domestic laws was carried out and numerous consultative meetings were also conducted prior to signing of the Agreement by Bhutan. The Agreement was signed and submitted for ratification only after completion of such procedures.

The purpose of the Paris Agreement is mainly to limit the increase in global average temperature to well below 2°C and 1.5°C in relation to pre-industrial areas. Moreover, it will greatly benefit Bhutan who has depended on natural environment from the past for its economic development. In addition, he submitted that the Agreement was signed by Bhutan based on the country's ability to implement the issues and therefore there will be no problems.

He said that unlike the Kyoto and Doha Protocol, which required action only by developed country parties, the Paris Agreement is a universal agreement which requires action from all developed and developing countries. The main obligations for Bhutan after ratification of the Agreement are to reduce Greenhouse gas (GHG) emissions and implementation of Transparency Framework among others. There are also no major financial costs for Bhutan under the Agreement.

On this, the Hon'ble Member of Pemagatshel Dzongkhag raised his doubt on what will be the inconveniences if during the time of signing of the Agreement, there is no acknowledgement from other countries. He sought clarification on the strategies on reduction of Greenhouse gas emissions and enquired about the existence of a standard on forest coverage and sinks for Greenhouse gases. He also enquired about the status of other countries with regard to reduction of Greenhouse

gases and asked how are we going to get the funds in the future for such kind of project. In response, the Hon'ble Minister said if we miss out on the time provided for signing of the Agreement, then we have to contact the office of the Secretary-General of the United Nations. He also submitted that there are no major problems in Bhutan with regard to other Greenhouse gas related issues.

Similarly, some of the Members enquired how the Kyoto Protocol will continue its implementation after the ratification of the new Paris Agreement. They also enquired about the acknowledgment of our neighbouring countries with regard to reduction of Greenhouse gases and whether the signing of the Agreement by the Ambassador was carried out after due consideration of the inconveniences. In response, the Hon'ble Minister said that the Paris Agreement will be implemented only from 2020 and the Kyoto Protocol will be retained as per the requirements. With regard to the reduction of Greenhouse gases, he said that all the SAARC countries have ratified the Agreement and because the Agreement was signed by the Ambassador on behalf of the government, it is now submitted officially by the government and ratified by the Parliament.

2.1. Ratification of the Agreement

The National Council deliberated on the Paris Agreement on 12/5/2017 and ratified it. The House resolved to submit the same to His Majesty the King for Royal Assent.

Voting details on the ratification of the Paris Agreement on Environment Protection and Conservation Including Issues Related to Climate Change

Date: 12/5/2017; Total Votes: 19; 'YES': 19; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Dorji
9. Hon'ble Sangay Khandu (Samtse)
10. Hon'ble Jigme Rinzin
11. Hon'ble Nima
12. Hon'ble Kamal Bdr. Gurung
13. Hon'ble Rinzin Dorji
14. Hon'ble Tharchen
15. Hon'ble Tempa Dorji
16. Hon'ble Pema Tenzin
17. Hon'ble Nima Gyeltshen
18. Hon'ble Kesang Chuki Dorjee
19. Hon'ble Karma Tshering

3. Introduction of the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India

The Member-in-Charge of the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India, the Hon'ble Minister for Economic Affairs said that trade relation has existed between Government of Bhutan and Government of India since time immemorial. The first Trade Agreement was signed on 17th January 1972 by H.R.H Prince Namgyal Wangchuk and Mr. B.S. Das, Representative of India in Bhutan. Since then, the Agreement has been revised four times and the most recent Agreement which was signed on 28th July 2006 had expired on 29th July 2016. Therefore, he submitted that a proposal on the revision of the Agreement has been submitted.

The primary objectives and benefits of the Agreement are to enhance economic independence and national sovereignty, free trade between the two countries and free import of essential food items. In addition, among many other benefits, there is access to use of seaports, air and land routes in India while trading with other countries.

He said that in the current revised Agreement, besides other important issues, five new additional entry/exit points have been added to the Protocol to the Agreement and one new Article has been incorporated in the Agreement. The previous Agreement has only 11 Articles and the current revised Agreement now has 12 Articles. The amendments made in the revised Agreement are on Article 8, 11 and 12. He submitted that the National Assembly has ratified the Agreement in the preceding 8th Session of the Second Parliament and it is now

being introduced in the current session of the National Council for ratification.

On this, some of the Members asked about the difficulties faced when the validity of the Agreement had expired and before it was revised. They also asked why *Jaigaon* has been identified as the only place for entry of vehicles. They enquired about the adequacy of funds with regard to addition of new entry/exit points and also raised their doubts on why *Nganglam* and *Jomotsangkha* are not included in the new entry/exit points. In response, the Hon'ble Minister said that after the expiry of the validity of the Agreement, it was extended for a period of one year by exchange of notes through Diplomatic channels until the time it was revised. With regard to the place for entry of vehicles, he said that it was due to insufficiency of human resources in the Indian customs and also submitted that no separate budget will be incurred for the addition of new entry/exit points.

3.1. Ratification of the Agreement

The National Council deliberated on the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India on 12/5/2017 and ratified it. The House resolved to submit the same to His Majesty the King for Royal Assent.

Voting details on the ratification of the Agreement on Trade, Commerce and Transit between the Royal Government of Bhutan and the Government of the Republic of India

Date: 12/5/2017; Total Votes: 19; 'YES': 19; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Tashi Wangyal

2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Dorji
9. Hon'ble Sangay Khandu (Samtse)
10. Hon'ble Jigme Rinzin
11. Hon'ble Nima
12. Hon'ble Kamal Bdr. Gurung
13. Hon'ble Rinzin Dorji
14. Hon'ble Tharchen
15. Hon'ble Tempa Dorji
16. Hon'ble Pema Tenzin
17. Hon'ble Nima Gyeltshen
18. Hon'ble Kesang Chuki Dorjee
19. Hon'ble Karma Tshering

4. Pay Revision Bill 2017

Presenting the Pay Revision Report, the Hon'ble Minister for Finance said that the main reason for the government to establish a separate pay commission for the Local Government is to make the system of democracy which was already established in the country by our successive monarchs, more successful and fruitful. Moreover, the Local Government Members have

a very important role in implementing the democratic system at the grass root levels and bridging the gap between the people and the government. Therefore, he submitted that in order to ensure effective service delivery, it is essential to provide attractive salary, allowances and benefits to the Local Government Members befitting their responsibilities.

He submitted that the proposed salary revision for Gups, Mangmis, Dzongkhag Thromde Thuemis, Thromde Thuemis and Tshogpas is 40% increase on the existing pay. With the revision, the highest increment is on the salary of Gups which is increased to Nu. 28,000 and the lowest increment are on the salary of Tshogpas and Thromde Thuemis which is increased to Nu. 9,800. Similarly, with the revision, the salary of Mangmis and Dzongkhag Thromde Thuemis is increased to Nu. 21,000. Likewise, the Daily Allowance (DA) is also revised to Nu. 1000 for Gups, Nu. 750 for Mangmis and Dzongkhag Thromde Thuemis and Nu. 500 for Tshogpas and Thromde Thuemis.

In addition, he submitted that the government has decided to revise the sitting fees of Gups, Mangmis and Tshogpas to Nu. 1000 per session for attending Gewog Tshogde meetings and the sitting fees for all participating Local Government Members is revised to Nu. 5000 per session for attending Dzongkhag Tshogdu meetings. Moreover, in view of the additional responsibility, the Special Responsibility Allowance for Chairpersons and Deputy Chairpersons of Dzongkhag Tshogdu is revised to Nu. 6000 and Nu. 3000 per month respectively. The Communication Allowance for Gups is maintained at the existing rate of Nu. 500 per month but for Mangmis and Dzongkhag Thromde Thuemis, it is revised to Nu. 200 per month and for Tshogpas and Thromde Thuemis, it is revised to Nu. 100 per month.

In addition to annual salary revision, the Local Government Members will also receive post service benefits (retirement benefits, provident fund and gratuity) after completion of their term. The deductions and payment of retirement benefits will be same as civil servants. Moreover, entitlement of GIS (Group Insurance Scheme) for the LG Members will also be provided and it shall be as per Royal Insurance Corporation of Bhutan Limited (RICBL) norms.

He also submitted that the main objective of the pay revision report was to recommend revisions on pay, allowances and benefits of the Local Government Members. The revisions for the general civil servants could not be done mainly due to limited revenue of the government. The net annual financial implication on account of the approved revision of pay, allowances and benefits of LG Members is about Nu. 135.406 million and it is estimated that Chhukha power tariff revision will benefit towards ensuring the sustainability of the approved revision.

On this, the Hon'ble Members raised their doubts on entitlement of leave for the LG Members, a need to increase communication allowance for Tshogpas and enquired on what basis travelling allowance is provided to the LG Members. They also asked why the salary of Thrompon is not revised and asked about the eligibility of LG Members for entitlement to hire porter and pony charges where there is no road communication. In response, the Hon'ble Minister said that leave entitlements for LG Members will be same as civil servants and said that the difference in travelling allowance for LG Members is also based on the entitlement for civil servants. He also said that the

salary of Thrompon was not revised because their current salary is equal to Executive-2 in the civil service. Further, he said that the entitlement to hire porter and pony charges could not be provided as there was no provision in the Local Government Members Entitlement Act of Bhutan 2015.

4.1. Deliberations and adoption of Pay Revision Bill 2017

The National Council thoroughly deliberated on the Pay Revision Bill 2017 on 2/6/2017 and 6/6/2017 and resolved to submit the following recommendations to the National Assembly for re-deliberation in accordance with Article 13.7 of the Constitution of Bhutan:

1. Title

- 1.1. The title of the report of the Third Pay Commission is referred to as Pay Revision Report. However, the sections in the report are Money Bill and further section 6 of the report clearly states that it is submitted as Money Bill. Therefore, the National Council recommends the government to change the title and make it as **Pay Revision Bill 2017**.

2. Section 1.2

Travel and Daily Allowance within Bhutan (TA/DA)

- 2.1. Column 2 of Table 1.2 shows that travelling allowance on non-motorable route outside the Gewog is revised to Nu. 250. The proposed revision is not viable as some Gewogs in the country do not have motorable route outside the Gewog and even the existing routes are underutilized. Therefore, the National Council

recommends the government to provide the Local Government Members with porter and pony charges similar to that of general public servants. The National Council also recommends the government to review the porter and pony charges as the existing rates were also found insufficient. In doing so, it will also benefit the people who depend on porter and pony charges to make some revenue.

- 2.2. The proposed revision on travel and daily allowance by the government will not have any significant benefit during actual application. Therefore, the National Council recommends the government to conduct a separate review on the general daily allowance for all the Members and arrange means to revise it separately. Moreover, the travelling allowance for civil servants in lower positions and positions below Mangmi till Tshogpa in the case of local government are only entitled to Nu. 6 per kilometer. This is not able to meet their expenses and therefore, the National Council also recommends the government to review it again and arrange means to revise the same appropriately.

3. Section 1.6 Communication Allowance

- 3.1. It is commendable that the government has initiated to provide communication allowance for Gewog Tshogpas. The primary responsibility of a Gewog Tshogpa is to carry out the orders of the Gup and Mangmi and also serve as a village messenger. They are the ones who directly deal with the people and as such they are required to communicate with

the people through telephone more often. The current revision of Nu. 100 per month is not enough and therefore, the National Council recommends the government to review it again and increase the communication allowance appropriately.

4. General

- 4.1. Chapter 3, Section 15 of the Local Government Members Entitlement Act of Bhutan 2015 provides for 5 categories of paid leave to the LG Members. Despite having provision on entitlement of earned leave for LG Members similar to general civil and public servants in the Act, the current Pay Revision Bill does not stipulate the encashment of earned leave by the LG Members in the same manner like other public servants. Therefore, the National Council recommends the government to make arrangements to provide the LG Members to encash their earned leave as per the rules similar to general public servants.

Voting details on the adoption of Pay Revision Bill 2017

Date: 7/6/2017; Total Votes: 22; 'YES': 21; 'NO': 0; 'Abstain': 1

The following voted 'YES':

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji

7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tshering Dorji
9. Hon'ble Tashi Phuntsho
10. Hon'ble Tashi Dorji
11. Sangay Khandu (Samtse)
12. Hon'ble Jigme Wangchuk
13. Hon'ble Nima
14. Hon'ble Kamal Bdr. Gurung
15. Hon'ble Rinzin Dorji
16. Hon'ble Kaka Tshering
17. Hon'ble Tempa Dorji
18. Hon'ble Pema Tenzin
19. Hon'ble Sonam Wangchuk
20. Hon'ble Kesang Chuki Dorjee
21. Hon'ble Karma Tshering

The following abstained from voting:

1. Hon'ble Tharchen

5. Introduction of the National Budget Financial Year 2017-18. (Supplementary Budget and Appropriation Bill for the Financial Year 2016-17, Budget and Appropriation Bill for the Financial Year 2017-18 and Fiscal Incentives Bill of Bhutan 2017)

The Hon'ble Finance Minister along with presentation of report on the National Budget Financial Year 2017-18 submitted a motion to introduce the Supplementary Budget and Appropriation Bill for the Financial Year

2016-17, Budget and Appropriation Bill for the Financial Year 2017-8 and Fiscal Incentives Bill of Bhutan 2017 for deliberation in the National Council.

The objective of the National Budget is mainly to adequately complete the 5th year of the 11th Five Year Plan based on the principle of “Prosperity for All”, to solve the existing economic problems of the country, based on Financial Policies, Supplementary Budget of the economy, Economic Development Policy and Fiscal Incentives. This is to realize the national objective of self-reliance goals. Similarly, based on the principle of Wangtse Chhirpel, the government has provided all gewogs with utility vehicles and further established POL Retail Outlets in around 65 gewogs in the past financial year.

As compared to the last 4 years, the Financial Year 2017-18 has the highest budget allocations. Of the total budget resource of Nu. 60,777.871 million, it is estimated that Nu. 34,700.355 million will be derived from domestic revenue and Nu. 16,702.538, million from external grants. Similarly, in the financial year, the total estimated expenditure is Nu. 57,915.710 million of which the capital expenditure is estimated at Nu. 29,346.039 million and the current expenditure is estimated at Nu. 28,569.671 million. Hence, in order to fill the fiscal deficit, it is included to avail concessional loans of Nu. 2472.082 million from international financial institutions.

From the government side, in the financial year 2017-18, from numerous planned programmes that needs to be accomplished, major activities includes extension of East-west highway and blacktopping of 42 gewog connectivity (GC) roads, establishment of 3 central schools, making domestic airports functional,

completion of integrated livestock farm in Samrang, construction of National Council building and Sarpang Dzong. As a new initiative, the government will establish an Endowment Fund for Crop and Livestock Conservation to compensate farmers for crops and livestock damaged by natural calamities and wildlife. In order to maintain macroeconomic stability, a Stabilization Fund will be established. The payout of life insurance shall be enhanced to Nu. 30,000 and all registered *Konyers* under *Zhung Dratshang* will be paid salary by the government.

Along with that, the Hon'ble Finance Minister submitted on the Fiscal Performance in Financial Year 2015-16, Revised Budget Estimates for the Financial Year 2016-17, Tax Measures, Macroeconomic Performance and Outlook, Performance of Royal Monetary Authority and Performance of State Owned Enterprises. In addition, he said that the Bills introduced earlier are deliberated and passed by the National Assembly and submitted that the National Council should support the same.

To this, some of the Hon'ble Members raised questions on why the government has exceeded the limit on previous year debt when there is a guideline on debt servicing, how the government is focusing on providing adequate essential items in the agriculture shops in the gewogs, for what purposes the loans for projects are availed, why the government has failed to acknowledge the recommendation of the National council regarding procuring of air tickets online in order to improve the procurement system and enquired about the status of blacktopping of gewog connectivity (GC) roads.

In response, the Honble Minister for Finance said that the debt has exceeded the debt servicing limit due to additional interest payment and it can be settled in the future. For the agricultural shops, the government has provided loans to Food Corporation of Bhutan (FCB) and it is supporting with the payment of interests to the government. The loans for projects are mainly availed to reduce the fiscal deficits and to incur expenditure on important projects. Likewise, he said that there are risks in transferring funds while procuring the air tickets online and also they have to abide by the already established system. With regard to the status on blacktopping of gewog connectivity (GC) roads, he submitted that a clear written response will be provided.

5.1. Deliberation and Adoption of the Supplementary Budget and Appropriation Bill for the Financial Year 2016-17

The National Council deliberated on the Supplementary Budget and Appropriation Bill for the Financial Year 2016-17 on 6/6/2017 and passed it without any amendment or change.

Voting details on the adoption of the Supplementary Budget and Appropriation Bill for the Financial Year 2016-17

Date: 6/6/2017; Total Votes: 22; 'YES': 22; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger

6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tshering Dorji
9. Hon'ble Tashi Dorji
10. Hon'ble Sangay Khandu (Samtse)
11. Hon'ble Jigme Wangchuk
12. Hon'ble Nima
13. Hon'ble Kamal Bdr. Gurung
14. Hon'ble Rinzin Dorji
15. Hon'ble Kaka Tshering
16. Hon'ble Tharchen
17. Hon'ble Tempa Dorji
18. Hon'ble Pema Tenzin
19. Hon'ble Sonam Wangchuk
20. Hon'ble Nima Gyeltshen
21. Hon'ble Kesang Chuki Dorjee
22. Hon'ble Karma Tshering

5.2. Deliberation and Adoption of the Budget and Appropriation Bill for the Financial Year 2017-18

The National Council comprehensively deliberated on the Budget and Appropriation Bill for the Financial Year 2017-18 on 6/06/2017, 7/6/2017 and 8/06/2017 and resolved to submit the following recommendations to the National Assembly for re-deliberation:

Schedule of Budget Appropriation Financial Year 2017-18

1. No. 9: Election Commission of Bhutan

1.1 The objectives and priorities of Bhutan Children's Parliament established by the Election Commission of Bhutan are not clear and the benefits of such programs are also unknown. These types of programs will greatly hamper and pose risks to the children in learning their real education. Therefore, it is recommended that henceforth, programs like Bhutan Children's Parliament should not be continued and the budget allocated for such programs should be utilized in other programs which are beneficial to the community like awareness programs in democracy and elections etc.

2. No. 41: Ministry of Home & Cultural Affairs

2.1 It is commendable that the government, based on the principle of *Wangtse Chirphel* has provided support to the extent possible starting from the entitlements to the Local Government members. In order for the Local Government members to render their service thoroughly in line with the objectives of the government and with the objective to improve their competency level, a budget of Nu. 8.500 million (External funding) has been allocated under table 3.22, column 6 of the National Budget Financial Year 2017-18 for Leadership and Management Enhancement Training (DLG). The allocated budget is not sufficient to provide quality training for the Local Government members of all 205 Gewogs. Therefore, it is recommended that the government look into the possibility of providing additional budget for the same.

2.2 Under Chapter 10, Section 10.1.1 of the National Budget Financial Year 2017-18, the Cultural Heritage Trust Fund was established in 1999 and no expenditure is to be incurred from the Trust Fund till the initial fund reaches USD 1.000 million. It is mentioned that the Fund would likely achieve its target in October, 2017. However, as per another Royal Charter issued for the establishment of the Trust Fund, the fund should be utilized by establishing office and human resources only after the initial fund reaches USD 5.000 million. There is contradiction between the two and therefore, it is reminded and recommended that the government acknowledge it as per the Royal Charter issued.

3. No. 46: Ministry of Works & Human Settlement

3.1 The government, as per the plan for blacktopping of Gewog connectivity (GC) roads and in order to improve the quality of roads in all the Gewogs and to make it more convenient to the commuters, few Gewog connectivity (GC) roads have been blacktopped in the past years. However, the works were of inferior quality and are deteriorating at present. Henceforth, in order to blacktop the Gewog connectivity (GC) roads without compromising the quality, it is recommended that the government review the policy and regulations related to blacktopping of Gewog connectivity (GC) roads again. In addition, it is recommended that the government allocate adequate budget to ensure blacktopping of Gewog connectivity (GC) roads is of good quality.

4. No.47: Ministry of Information & Communications

4.1 Important information related to socio-economic development in the country is provided by the Bhutan Broadcasting Service (BBS) through their channel BBS 1 and BBS 2. However, their coverage is only available

in the Dzongkhag centres and urban centres. Some Gewogs and remote places are not able to avail their television services. Therefore, in order to ensure that the television services provided by the BBS through their channel BBS 1 and BBS 2 are available to all the places, it is recommended that the government provide support in terms of adequate facilities and fund.

4.2 In line with the modern information technology development, the government has focused on information technology and initiated programs like Government to Citizens (G2C) which has benefitted the people in Dzongkhag centres and towns. However, people in the rural areas are not able to enjoy such services because of lack of internet connectivity. Therefore, in order to ensure that the information technology services are better utilized, it is recommended that the government provide support in terms of policies and fund so that communication through use of internet services are available to the Gewogs and rural areas.

5. No. 48: Ministry of Health

5.1 While appreciating the Ministry of Health for providing good health services in the country, the National Council also acknowledges and are convinced that natural hot-springs and mineral waters in the country are able to cure diseases that are not curable by modern treatments. Therefore, it is recommended that henceforth, the government should carry out comprehensive research and maintain a list of such hot-springs and mineral waters in the country. It is also recommended that the government review the allocation of adequate budget in order to improve such facilities.

6. No. 49: Ministry of Education

6.1 Some students in schools other than central schools and boarding schools face problem in bringing packed lunch because of poor parents. Even if they are able to bring packed lunch, it becomes heavy for the students to carry when combined with their books. When small children are made to carry heavy backpacks which are not appropriate for their age, it is harmful for their health as well as for their growth. Therefore, it is recommended that the government should avoid procuring of non-essential items in the central schools and direct the funds in making arrangements to provide lunch in non-boarding schools.

7. General

7.1 Any Trust Fund and Endowment Fund in the country is established in accordance with a Royal Charter or under an Act. However, in the National Budget Financial Year 2017-18, Stabilization Fund and Endowment Fund for Crop and Livestock Conservation is established under Chapter 10 Section 10.3.1 and section 10.3.2 respectively. The objectives and the benefits of such Funds are also not clearly provided and moreover it is established unlawfully. Therefore, it is recommended that a separate Bill for the two Funds is submitted in order to make it lawful.

Voting details on the adoption of the Budget and Appropriation Bill for the Financial Year 2017-18

Date: 6/6/2017; Total Votes: 23; 'YES': 23; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten

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

5.3. Deliberations on the Fiscal Incentives Bill of Bhutan 2017

The National Council comprehensively deliberated on the Fiscal Incentives Bill of Bhutan 2017 on 6/6/2017, 7/6/2017 and 8/6/2017 and resolved to reject the Bill on the basis of the following general and specific objections which shall be submitted to the National Assembly for re-deliberation:

A. General Objections:

1. The National Council has full support towards the economic development and private sector development in the country. However the House has serious doubts on whether the Fiscal Incentives Bill would promote a balanced regional development and address the inequalities between the rich and the poor.

2. Tax revenue forms a major part of domestic revenue of the country. If tax deductions are given to most of the highest tax paying sectors, it will have a major implication on the domestic revenue. There is a risk that the domestic revenue will not be able to meet the current expenditures. Further, it is a matter of concern that this could lead to increased foreign grants and loans affecting the country's self-reliance goals.

3. The House also has doubts on whether the government has comprehensively reviewed the recently launched Economic Development Policy 2017. The whole Fiscal Incentives Bill 2017, which is based on the policy, is conflicting on some very important sections. Therefore, it raises great suspicion.

4. In the Bill, while sectors are identified for direct tax incentives and specific incentives, there is no detail regarding some sectors like Private Health sector and

Business Infrastructure Developers etc. Further, a list of such sectors is also not included in the Bill and therefore it raises doubts on the objectives and prioritization of the fiscal incentives.

B. Specific Objections for Amendment:

1 Preamble

While the objectives of the Fiscal Incentives Bill of Bhutan 2017 are to stimulate economic growth, foster private sector development and generate employment, it did not aim at promoting a balanced regional development and reducing the inequalities between the rich and the poor. Therefore, the National Council objects to the Preamble. The Preamble should be amended with the insertion of the additional words “**equitable economic growth**”.

A Bill to give effect to the fiscal incentives (tax exemptions and concessions) to stimulate economic growth, foster private sector development, ~~and~~ generate employment **and equitable economic growth**. Under this Bill, types of incentives/exemptions included are income tax holiday, reinvestment allowance, tax rebate, income exemption, additional expenditure deduction, TDS exemption, sales tax exemption, customs duty exemption, and concessional customs duty.

2 Chapter 1, Section 4

The principle of raising tax in the country should be aimed at collecting from the big businesses so that the inequalities between the rich and the poor can be addressed. Most of the small businesses in the rural areas are run by humble and poor people and they do not make big profits. Tax exemptions to such small businesses will be beneficial for their livelihood and will

serve as motivation for rural development. Therefore, the National Council objects to this section which states that income tax exemption to small and micro businesses in rural areas shall expire by next year. Tax exemptions to small businesses should be continued and provided same like the big businesses. Therefore, the section should be amended as follows:

Income Tax Exemption to small and micro businesses in rural areas **for 10 years** ~~shall expire by 31st December, 2018.~~

3 Chapter 3, Section 15 (a)

While primary mining activities should be carried out by the State Mining Corporation, this section will allow private sectors to take up the activities. Further, more tax holiday is provided under this section. The National Council objects to this section. Therefore, some words from the section should be deleted as follows:

Income tax holiday of ~~10 years for newly established~~ and 5 years for existing domestically sourced mineral based industries meeting the value addition criteria prescribed by competent authority.

4 Chapter 3, Section 16 (b)

Tourism should be developed equally in all the regions. Farm House and Home Stay established as hospitality units will have direct benefit in terms of income to the people in remote areas. The period of income tax holiday provided to such hospitality units is less compared to the income tax holiday provided to big businesses which is 10 years. Therefore, the National Council objects to this section. In order to encourage people in the remote areas to establish more such

hospitality units, the period of income tax holiday should be amended as follows:

Income tax holiday of 5 **10** years to Farm House and Home Stay established as hospitality unit.

5 Chapter 3, Section 18 (a)

As per this section, income tax holiday is provided uniformly to other Thromde areas located outside Thimphu and Phuentsholing Thromde areas irrespective of whether there are private schools or not. The National Council objects to this section. In order to encourage establishment of private schools in the remote Dzongkhags like Gasa and Dagana etc. where there are no private schools at all, the section should be amended as follows:

Income tax holiday of 5 years to newly established educational and vocational institute located outside Thimphu and Phuentsholing Thromde areas **and 10 years where there are no private schools in the Dzongkhags.**

6 Chapter 3, Section 19 (a)

In the section, the government is vested with full authority to approve newly established selective private health services. There is a possibility that it will create big problems in the future. Therefore, the National Council objects to this section. The list of selective health services approved by the government should be clearly included in the Bill.

Income tax holiday of 5 years to newly established selective private health services approved by the Government.

7 Chapter 3, Section 21 (b)

The main purpose to provide tax exemptions by the government is to encourage people to take up activities which are not possible so that it can supplement economic development. The National Council objects to this section as it provides tax holiday to already widespread and much established taxi/car-hire service providers in the country. This section should be deleted. If tax holiday are to be provided, then people should be encouraged to establish public transport services in remote Dzongkhags like Gasa and Zhemgang, where there are no established public transport services even for the Dzongkhag centre. The section should be replaced as follows:

~~Income tax holiday of 5 years to taxi/car-hire service providers.~~

Income tax holiday of 10 years for where there are no public transport services

8 Chapter 3, Section 23 (a)

If the approval of the list of newly established infrastructure developers is left entirely with the government, there is possibility that problems will emerge in the future. Therefore, the National Council objects to this section. The list should be clearly included in the Bill as follows:

Income tax holiday of 10 years to newly established infrastructure developer **namely industrial estate, IT Park, dry port, warehousing and cold storage** as per the list approved by the Government.

9 Chapter 6, Section 44

The responsibility to frame and revise the rules and regulations on the Fiscal Incentives Bill 2017 is vested

with Ministry of Finance. However, revision of sector specific list of items from time to time is subject to approval of the Parliament since it is tax related activities. Therefore, the National Council objects to this section. Some words should be deleted from the section as follows:

The Ministry of Finance shall have the power to frame and revise the rules and regulations on the Fiscal Incentives 2017 ~~including updating the sector specific list of items from time to time.~~

Voting details on the adoption of the Fiscal Incentives Bill of Bhutan 2017

Date: 6/6/2017; Total Votes: 24; 'YES': 7; 'NO': 9; 'Abstain': 8

The following voted 'YES':

1. Hon'ble Tashi Wangmo
2. Hon'ble Pema Dakpa
3. Hon'ble Tshering Dorji
4. Hon'ble Tashi Dorji
5. Hon'ble Rinzin Dorji
6. Hon'ble Kaka Tshering
7. Hon'ble Pema Tenzin

The following voted 'No':

1. Hon'ble Tashi Wangyel
2. Hon'ble Phuntsho Rapten
3. Hon'ble Sonam Dorji
4. Hon'ble Sangay Khandu (Gasa)
5. Hon'ble Sangay Khandu (Samtse)

6. Hon'ble Tharchen
7. Hon'ble Sonam Wangchuk
8. Hon'ble Nima Gyeltshen
9. Hon'ble Kesang Chuki Dorjee

The following abstained from voting:

1. Hon'ble Dhan Bdr. Monger
2. Hon'ble Tashi Phuntsho
3. Hon'ble Jigme Rinzin
4. Hon'ble Jigme Wangchuk
5. Hon'ble Nima
6. Hon'ble Kamal Bdr. Gurung
7. Hon'ble Tempa Dorji
8. Hon'ble Karma Tshering

(Monday, 15th May 2017 corresponding to the 19th Day of the 3rd Month of Fire Female Bird Year of the Bhutanese Calendar)

E. Issues related to Review of Policies

1. Report on the Performance Audit of the Tourism Sectors

The Deputy Chairperson of the Economic Affairs Committee, Hon'ble Member of Gasa Dzongkhag said that performance audit of tourism sector is submitted to the National Council considering the importance of tourism sector which is 2nd in revenue generation for the economy of the country. During the detailed presentation of report on tourism policy and strategies in the 16th Session, among resolutions passed on 10 recommendations, a part of the recommendations was

on conducting performance audit by the Royal Audit Authority on tourism sectors. He reported that the Royal Audit Authority immediately accepted and conducted performance audit and hence submitted a report to the National Council. On behalf of the Committee, he thanked the Royal Audit Authority for such acceptance and submitting a report.

According to the performance audit report of the Royal Audit Authority, he said that the report is mainly on audit of whether the external fund received in relation to tourism is directly incorporated into domestic revenue or not, whether the limitation set by the government on pricing structure is lowered or not, and whether the tourism sector properly pays taxes payable to government or not. As per the report, it is reflected that there is lack of concrete tourism policy and proper administrative mechanism. However, audit report in general is also found to be similar to the review report submitted by the National Council.

As performance audit report of tourism sector is comprehensive, it was submitted that extensive review on the issue be carried out by the Public Accounts Committee and to prepare a report to be submitted to the Joint Sitting where all the parliament members will be present during the Joint Sitting and relevant ministers will also be present in the deliberations as well. Similarly, with regard to lack of a required policy and law for the tourism sector, as comprehensive answers will be obtained if a verbal question time session is arranged, it was submitted for the same with the Hon'ble Prime Minister, Chairperson of the Tourism Council and the Gross National Happiness Commission.

The National Council resolved to arrange a question time session with the Hon'ble Prime Minister on the

issue to endorse a tourism policy and to introduce a Bill to the Parliament as submitted above by the Economic Affairs Committee and the whole performance audit report to be reviewed by the Public Accounts Committee and deliberate in the Joint Sitting.

(Monday, 22nd May 2017 corresponding to the 26th Day of the 3rd Month of Fire Female Bird Year of the Bhutanese Calendar)

2. Review Report on Cultural Heritage of Bhutan

The Chairperson of the Social and Cultural Affairs Committee, Hon'ble Member of Bumthang Dzongkhag said that subsequent to the 17th Session of the National Council during which the Committee was assigned to review on issues related to performing arts the review on cultural heritage was conducted based on modernization, perception of younger generations, and as foundation of national identity, the review was conducted on traditional architecture, performing arts, vernacular languages, Driglam Namzha and uniforms. The distinction of review on cultural heritage from previous reports is mainly because it was not initiated before; and it is an outcome of comprehensive research conducted by relevant Research Officers and other officials of the National Council Secretariat by visiting all the 20 Dzongkhags, and thorough consultative meetings with numerous relevant sectors.

The importance of cultural heritage of Bhutan is acknowledged and respected by the government and public at large. However, there are only few related laws and policies. There is no specific Act and Rule or Policy with regard to the objective of preservation and development. Similarly, though there is a Cultural Heritage Trust Fund established by the Royal Charter, it was not utilized as it could not reach its utilization mark. Thus, a review was carried out on how the

government programs are planned and working on it to preserve and promote the cultural heritage of Bhutan.

On this, the Committee Member, Hon'ble Member of Sarpang Dzongkhag said that our traditional architectural design is one of the prized identities of Bhutan based on beautiful visual expressions of our architecture and also, it is important from both spiritual and traditional perspective. While the architectural designs are intact in the rural communities, there are few emerging signs of degradation in the urban areas due to utilization of contemporary materials. In order to preserve and promote our architectural designs, as there are no sufficient laws and regulations other than a guideline book called Bhutanese Architecture Guideline, there is no significant support of legislation.

The Committee pointed out that the Bhutanese Architecture Guideline is not known by the general public other than those with the knowledge of architecture and requires awareness along with the background of the Guideline. In order to keep the current architectural skills sustained in the future, for instance, architectures at the risk of extinction must be made uniform in all the private households, and in the government constructions, as there is a perception that it can be constructed without requiring complete Bhutanese architecture, it should be made uniform. Beyond traditional architectures, intangible culture, for instance, starting from ground breaking ceremony to final consecration ceremony, it is perceived and understood that these type of ceremonial conduct is conducted only in privates and not in government constructions.

The Committee Member, Hon'ble Member of Wangdue Dzongkhag said that within the cultural heritage, from

tangible and intangible culture, main is performing arts, that's also, mask dances and folk songs, and includes *lhasoe and boensoe*. As our country is one of the Buddhist nations, most of these mask dances and folk songs have spiritual relation and it is also considered as one of the important aspects of culture. However, in order to keep it sustainable, the significant challenges faced are, difficulty in finding mask and folk song dancers in the local communities, lack of substantial support from the government by considering it, and lack of extra effort from the relevant agencies of performing arts.

On this, after the extensive review, the Committee pointed out that due to lack of adequate mask dancers and folk dancers during local tshechus and lack of enough support from the government, there is risk of discontinuity in the future, and there are challenges to motivate mask dancers and folk dancers. For instance in tangible culture, while the government has exorbitant fund for the structural construction of lhakhangs, there is no such separate fund for performing arts. It was understood that the government and various sectors supported the Bhutan Film Association. Though there is no benefit in preserving general culture and folk songs from drayangs, there is little benefit from luyangs. It was pointed out that Royal Academy of Performing Arts must be upgraded and prioritize on cultural skills.

On this, the Deputy Chairperson of the Committee, Hon'ble Member Kesang Chuki Dorjee said that though Bhutan is rich in terms of its ethno linguistic diversity with over nineteen different languages being spoken in the country, other than developing national language, there was nobody until now concerned towards preserving and promoting vernacular languages. Therefore, it was observed that the Dzongkha

Development Commission was required to assume additional mandate to preserve and promote vernacular languages. Further, it was found that those established community radios which advocates on vernacular languages have benefitted immensely in the dissemination of the language.

The Committee Chairperson, Hon'ble Member of Bumthang Dzongkhag said that one very important aspect of the Bhutanese Culture is Driglam Namzha and that being derived from the 84,000 volumes of teachings of Lord Buddha, it is the main etiquettes of body, speech and mind. Further, controlling of one's own mind is the main essence of discipline. The government and institutes having acknowledged the importance of discipline, there are few handbooks for guidance. However, as these are not in conformity with the discipline and not a comprehensive guiding handbook, there is risk of degradation in the future.

According to the review conducted by the Committee, in order to make Driglam Namzha make credible and realistic by all classes of high, middle and low, a comprehensive book on Driglam Namzha is indispensable, and based on Driglam Namzha, the Chadri protocol must be comprehensive. Similarly, institutes associated with culture should be supported by providing incentives and relevant facilities in recognition to preserving culture, and the government after examining the appropriateness, must prioritize to properly formalize western clothes wearing as formal uniform in our country.

Some of the Hon'ble Members submitted that in order to pass on traditional skills to the future generations, source of income must be enhanced concerning domestic engineers, and as utilization of goods

produced in the locality will help preserving the architecture, priority must be given to make Cultural Officers competent. Awareness on the architectural designs must be disseminated by sharing background, and if the government constructions are carried out in the Gewogs by obtaining approval from the Gewog Administration, there is a suitability of complying through traditional architecture; the Committee was directed to incorporate in the recommendations.

(Tuesday, 23rd May 2017 corresponding to the 27th Day of the 3rd Month of Fire Female Bird Year of the Bhutanese Calendar)

2.1. Deliberations on the Report and Adoption of the Recommendations

The Hon'ble Members submitted that preservation of mask dances and folk songs performed in the local communities are important and therefore, to sustain them and to attract more interest from the mask dancers and folk dancers, the government should provide sufficient allowances. It was also submitted to see the possibility of providing training to experts in performing arts in the local communities. It was submitted to restore occasional celebration of the local communities which are damaged by modernization in the local communities and towns. Further, additional recommendations such as performance of sacred and unique tshechus of the local communities in the Dzongkhags should also be included.

Likewise, it was submitted that measures should be developed so that Drayang and Luyang, while working in their respective sectors, are able to render their service with pride in promoting our traditional culture. In addition, vernacular language is also one of the backbones of our tradition/custom and with the aim to spread it in the country, it is being supported through

community radios. Driglam Namzha is also one of the main methods to maintain strong traditional culture. In order to accept these properly, there is a definite need for guidelines and regulations and the relevant agencies must also carry the responsibilities.

The National Council thoroughly deliberated on the Review Report of Cultural Heritage submitted by the Social and Cultural Affairs Committee on 22/5/2017, 23/5/2017 and 29/5/2017 and resolved as follows:

The National Council,

1. Recalling the wisdom of our visionary Kings and forefathers who nurtured and fostered the noble idea of upholding our unique national identity that is deeply rooted in culture and religion for the benefit of country's sovereignty for centuries;
2. Upholding the mandate enshrined under article 4 (1) of the Constitution of the Kingdom of Bhutan, which states that "The state shall endeavour to preserve, protect and promote the cultural heritage of the country, including monuments, places and objects of artistic or historic interest, Dzongs, Lhakhangs, Goendeys, Ten-sum, Nyes, language, literature, music, visual arts and religion to enrich society and the cultural life of the citizens";
3. Adhering article 8 (2) of the Constitution of the Kingdom of Bhutan, which states that "A Bhutanese citizen shall have the duty to preserve, protect and respect the environment, culture and heritage of the nation";
4. Endeavoring to fulfill its mandate enshrined in the Constitution of the Kingdom of Bhutan

(Article 10.2 & 11.2) and in the National Council Act of the Kingdom of Bhutan (chapter 2, section 7 & 10) as a House of Review;

5. Realizing that the Bhutan's invaluable cultural treasures (both tangible and intangible) are increasingly under pressure from modernization and globalization and perceive alienation of younger generations from the core value of our society;
6. Acknowledging that the government has initiated in drafting the National Cultural Policy and Cultural Heritage Bill to preserve and promote the cultural heritage of Bhutan; and
7. Recognizing that the need of legal background to supplement various programs initiated in preserving and promoting cultural heritage.

Hereby calls upon the Royal Government to:

1. finalize and endorse the Bhutan Culture policy document which should encompass all aspects of cultural heritage, both tangible and intangible.
2. review the Cultural Heritage Bill with the necessary stakeholders and make it a comprehensive legal proposal by including popular concerns and suggestions about our tangible and intangible cultural heritage,
3. strategize and scale up programmes to raise funds for the Cultural Heritage Trust Fund, and
4. recognize and reward institutions and individuals with incentives such as research and project grants, scholarships as well as employment opportunities for promoting and preserving

Bhutanese values and ethos, and look into the possibility of revising wages for artisans, craftsmen and performing artists, etc.,

Traditional Architecture

1. Realizing that the general public including local leaders and relevant officials have limited idea on Bhutanese Architecture Guideline 2014 which is the only guideline that supports the preservation and promotion of traditional architectural designs;
2. Concerned that the indigenous skills are at the risk of extinction with no formal plans and activities initiated for skills transfer; and
3. Further concerned that the architectural guidelines has not been executed uniformly which results in inconsistency of government and private constructions;

Hereby, recommends the Royal Government to:

1. consider initiating legislation to provide necessary legal support for effective implementation of the Bhutanese Architecture Guideline 2014,
2. conduct awareness programs on the significance of traditional architecture as well as the Bhutanese Architecture Guidelines 2014 to dzongdags, gups, engineers, culture officers, and relevant officials working under Department of Culture,
3. include in the curriculum of Technical Training Institutes, College of Science and Technology, Jigme Namgyel Engineering College and other relevant institutions the lessons to understand

- and appreciate the context, content and objectives of architectural designs, and also enable skills transfer and promotion,
4. urgently initiate and support apprenticeship programmes with traditional master carpenters and masons either in national construction projects or in private constructions,
 5. initiate internship, orientation or training programs to enable engineers and architects graduating from formal colleges and universities abroad prior to employment to gain in-depth understanding of traditional Bhutanese architecture as well as associated skills,
 6. ensure all government-construction or government-supported constructions uphold the highest standards of Bhutanese architectural designs conforming with the landscape and traditional designs in the area as well as utilize available local construction materials and promote associated rituals and ceremonies,
 7. create advocacy programs in collaboration with the religious bodies for dissemination through media on the importance and benefits of performing rituals at various stages of construction, and
 8. strengthen both the capacity of approving and monitoring officials/authorities to approve and monitor constructions based on architectural designs and standards.

Performing Arts

1. Acknowledging that the government has allocated maximum budget in tangible culture like infrastructure development of religious monuments;
2. Recognizing that there is risk of discontinuities of local tshechus due to lack of performers and limited budget allocation; and
3. Noting that the entertainment sectors have not contributed much in preservation and promotion of traditional folk songs and mask dances;

Hereby, recommends the Royal Government to:

1. prioritize maintenance of inventory and historical documentation of different festivals and performing arts in different communities, and support documentation and archival efforts of agencies like Bhutan Broadcasting Service, College of Language and Culture Studies, Taktse as well as other government and private entities,
2. educate children about the significance of local tshechus and other performing arts and also enable them to participate in their communities' tshechus and other events,
3. seriously consider appointing trained artists from institutions like RAPA, who are duly certified by MOLHR, as teachers and instructors of performing arts in schools and educational institutions, and encourage using local experts to impart their knowledge on local performing arts to school children,

4. ensure that any new artistic products like songs, dances, films and others respect religious sentiments and cultural sensitivities, and,
5. provide budgetary and other support for production of films, documentaries and theatre arts and performances which intend to record and enact historic events, transmit shared narratives of nation-building and reinforce values like patriotism and respect for tsa-wa-sum.
6. provide necessary policy and legal support to private entertainment establishments like drayang and luyang to ensure favorable work environment to showcase both traditional and modern Bhutanese songs and dances,

Vernacular Languages

1. Concerned that there is no central agency dedicated to the preservation and promotion of vernacular languages; and
2. Acknowledging the important role of BBS radio and civil society organizations' initiatives to establish community radio stations, which have the potential to promote local languages and culture in their respective areas.

Hereby, recommends the Royal Government to:

1. grant additional resources to the Dzongkha Development Commission and provide it with the extra mandate of preserving and promoting the vernacular languages besides Dzongkha,
2. invest in training linguists to develop a dedicated corps of specialists in documenting, preserving and promoting vernacular languages, and

3. support the establishment of community radios particularly in communities where vernacular languages are endangered.

Driglam Namzha and Western Uniform

1. Mindful that Driglam Namzha has a spiritual linkage, and is one of the mindfulness frameworks of body, speech and mind;
2. Observing the inconsistent practice of Driglam Namzha and chadri both in the capital and at the dzongkhags with no comprehensive guidelines; and
3. Concerned that introducing western dress in many agencies as formal uniform irrespective of the nature of work will eventually affect efforts of preserving and promoting our national attire.

Hereby, recommends the Royal Government to:

1. encourage research and publications on Driglam Namzha and disseminate its values, practices and expressions through formal processes and institutions (eg. lessons in schools) as well as mass media,
2. develop standard guidelines for chadri protocols in consultation with the experts, and monitor that they are honoured and applied by and in partnership with relevant agencies,
3. adequately train all Culture Officers before their appointment in different dzongkhags, and they in turn must be mandated to educate officials, local leaders, students as well as the public on the values and importance of Driglam Namzha,

4. conduct periodic advocacy program through mass media or otherwise instilling sense of responsibility and pride in wearing national dress and upholding the values and practice of Driglam Namzha, and
5. Urgently review the proliferation of western dress as standard institutional uniforms in government, corporate and private offices so that appropriate remedial measures as well as advisory directives can be provided.

Voting details on the adoption of the Recommendations on the Review Report on Cultural Heritage of Bhutan

Date: 29/6/2017; Total Votes: 21; 'YES': 21; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Rapten
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Phuntsho
9. Hon'ble Tashi Dorji
10. Hon'ble Sangay Khandu (Samtse)
11. Hon'ble Jigme Rinzin
12. Hon'ble Jigme Wangchuk
13. Hon'ble Nima

14. Hon'ble Kamal Bdr. Gurung
15. Hon'ble Rinzin Dorji
16. Hon'ble Kaka Tshering
17. Hon'ble Tharchen
18. Hon'ble Tempa Dorji
19. Hon'ble Pema Tenzin
20. Hon'ble Sonam Wangchuk
21. Hon'ble Karma Tshering

(Wednesday, 17th May 2017 corresponding to the 21st Day of the 3th Month of Fire Female Bird Year of the Bhutanese Calendar)

F. Issues related to Annual Reports

1. Report on the Annual Anti-Corruption Commission Report 2016

As per the Constitution and in accordance with section 169 (1) of the Anti-Corruption Act 2011, the Annual Anti-Corruption Commission Report 2016 was submitted to the National Council and was reviewed by the Good Governance Committee of the National Council. The Committee submitted its report on the Commission's prioritized policies, annual performance, implementation of the resolutions of Parliament and recommendations.

The Chairperson of the Good Governance Committee, the Hon'ble Member of Lhuentse Dzongkhag said that the Commission had adopted an inward looking strategy and identified immediate priorities and long time priorities in the last annual report 2015. For the immediate priorities, the ACC has focused on organizational re-structuring and staffing, professionalize internal operations of ACC, seized

property information system, adoption and implementation of policies and procedures, ISO (International Organization for Standardization) 9001 Certification and enhancing coordination and networking with critical key partners. Similarly, for the long term priorities, the ACC has focused on branding ACC as an employer of choice, financial security, reducing backlog of complaints, management of complaints and investigations and enhancing prevention and awareness programs.

To this, other Members of the Committee reported on the ACC's annual performance mainly in relation to dissemination of public education, behavioural change programs, prevention and empirical research on public road construction and complaints and investigations. With regard to public education, they submitted that ACC has completed the second round of Gewog Awareness and Advocacy Program in 27 Gewogs of Samtse and Sarpang Dzongkhags. The program was attended by 4,690 participants. ACC have also conducted interactive sessions in coordination with relevant agencies. Likewise, ACC has trained 10 officials on Certified Integrity Officer's Course and also established integrity clubs in schools.

With regard to prevention of corruption, they reported that ACC has facilitated implementation of National Integrity and Anti-corruption Strategy (NIACS). There is improvement in the strengthening of judicial integrity in the Judiciary. Likewise, there is improvement in clean and ethical business transactions and transparency and accountability in community based organizations and local governments. With regard to details of Asset Declaration (AD), from the total number of 436 declarants in schedule I, 157 declarants were found to have significantly higher assets than the previous years.

However, after the verification, all 157 DA cases were dropped as it did not have any major problems. It was also reported that a special research is being conducted by the ACC in relation to public road construction as construction was identified as one of the major corruption prone areas. The 3rd National Integrity Assessment (NIA) was also conducted covering more than 10,800 respondents.

With regard to complaints, they reported that from the 352 complaints received during the report period of 12 months in 2016, 58.2% were anonymous complaints and 41.8% were known complaints. Complaints on abuse of functions by public servants still continue to be the predominant type of alleged corruption followed by embezzlement and issues related to bribery. They also submitted that among the Dzongkhags, complaints against Thimphu Dzongkhag was the highest whereas no complaint was received against Gasa Dzongkhag. Of the 352 complaints received, decisions were taken on 339 complaints and decisions on the remaining 13 complaints are pending as these required additional information. From the remaining backlog complaints, only 273 qualified for investigation and the Commission has closed 108 complaints (60 dropped and 48 repeated complaints).

They also reported that as per the ACC Report, Transparency International Corruption Perception Index (TI-CPI) 2016 has ranked Bhutan as 27th cleanest country with a score of 65 and in the Asia Pacific Region; Bhutan is ranked at 6th position. In addition, the Commission has appropriately implemented the recommendations of the resolutions of the Parliament.

The Good Governance Committee after reviewing the report submitted its recommendations: to develop a

workable mechanism to effectively deal with complaints that are administrative in nature; review and streamline the management of seized immovable and moveable properties; to resolve issues related to financial encroachment and to initiate drafting of an Impeachment Bill.

To this, some of the Hon'ble Members submitted that the ACC in its report recommended that there is a need to establish an Office of Ombudsman to resolve complaints that are administrative in nature. However, the Committee Members expressed their views that as of now there is no need to establish such separate office and that Bhutan is different from other countries. They also submitted that they acknowledge the work done by the ACC. Similarly, they also submitted there is a need to streamline handling of seized immovable and moveable properties as per their qualifications and there is a definite need for an Impeachment Bill for the Constitutional offices.

(Monday, 29th May 2017 corresponding to the 4th Day of the 4th Month of Fire Female Bird Year of the Bhutanese Calendar)

1.1. Adoption of Recommendations on the Annual Anti-Corruption Report 2016

The National Council deliberated on the Annual Anti-Corruption Report 2016 on 17/5/2017 and 29/5/2017 and resolved as follows:

The National Council,

Noting that out of the total number of complaints the ACC receives each year, majority of them are related to grievances arising from lack of transparency, maladministration, perceived or actual, in the public

sector and they end up being referred to the agencies for further actions;

Concerned that there is no uniformity in the handling of such complaints amongst the different agencies, besides not addressing the grievances of the complainants;

Considering that the existing institutions like the RCSC, DHI, and MoLHR can be used to address administrative related grievances pertaining to civil service, corporations, and private entities respectively;

Acknowledging the ACC's continuous effort in streamlining the management of seized properties and evidences; and

Considering that to further strengthen the management of seized properties, there is a need to address seemingly differential treatment that exist in handling the seized properties between movable and immovable and even within the movable properties

Hereby recommends the ACC to:

1. Develop a workable mechanism in collaboration with agencies like the RCSC, DHI, MoLHR, etc. to effectively deal with complaints that are administrative in nature; and
2. Review and streamline the apparent inconsistencies in handling seized immovable and moveable properties

Voting details on the adoption of the Recommendations on the Annual Anti-Corruption Commission Report 2016

Date: 29/6/2017; Total Votes: 21; 'YES': 21; 'NO': 0; 'Abstain': 0

The following voted 'YES':

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

(Thursday, 8th June 2017 corresponding to the 14th Day of the 4th Month of Fire Female Bird Year of the Bhutanese Calendar)

G. Any Other Business

1. Motion on Observations on the Mineral Development Policy 2017

Hon'ble Tashi Wangyel said that in order to improve governance of the Mineral and Mining Sector, the government has recently launched the Mineral Development Policy (MDP) 2017 mainly based on the measures such as improvement of management, taking adequate measures to protect the environment, issuing of direction and license etc. However, he submitted that the Mineral Development Policy 2017 doesn't cover the concerns of the past assessment and research conducted by the National Council, the Royal Audit Authority and the Anti-Corruption Commission which have shown that the sector is riddled with governance problems including incidences of corruption, tax evasion and illegal business practices.

Improving governance of the sector is not a choice but a Constitutional obligation as Article 1.12 of the Constitution states that: *"The rights over mineral resources, rivers, lakes and forests shall vest in the State and are the properties of the State, which shall be regulated by law."* Further Article 9.7 states that: *"The State shall endeavor to develop and execute policies to minimize inequalities of income, concentration of wealth..."* However, the MDP 2017 has failed to make any reference to the Constitution let alone reflect the above important principles enshrined in the Constitution. In view of the above, and most importantly keeping in mind the noble vision of Majesty the King for building a *"Just and Harmonious Society"*, the National Council in its previous session had recommended the government to urgently table the Minerals and Mines Management Act 1995 (Amendment Bill) so that the law

governing the mining sector is updated to meet the vision and objectives of the Constitution of the Kingdom of Bhutan.

However, as per section 3.4.2 of the newly launched Mineral Development Policy (MDP) 2017, the lease tenure for mining sector has been increased from present 15 years to 30 years which is contrary to the principles of the Constitution and the vision of building a just and harmonious society and in contradiction to the past recommendations of the National Council. In view of the above, there is a big concern that the mineral resources of the state will be captured by few people. Therefore, the National Council would like to submit a motion to deliberate on the issue and for endorsement of appropriate recommendations.

On this, the Hon'ble Member of Samtse, Zhemgang, Dagana and Monggar Dzongkhag supported the motion and in addition they said the government is required to draft any policies of the government in accordance with the provisions of the Constitution. The Mineral Development Policy (MDP) 2017 poses risk to enable few individuals to capture the benefits of mineral resources of the state. Moreover, the Mineral and Mines Management Act 1995 needs to be regulated till it is amended and adopted by the Parliament. They also submitted if there is any possibility that the National Council could initiate amendment of the Act.

The National Council thoroughly deliberated on the Observations on the Mineral Development Policy 2017 and resolved as follows:

The National Council of Bhutan,

Upholding its mandate enshrined in the Constitution (Article 10.2 and Article 11.2) and in the National

Council Act of the Kingdom of Bhutan 2008 (Chapter 2, Sections 7 and 10) as a House of Review;

Respecting the Constitution in particular adhering to Article 1.12 which vests rights and ownership over mineral resources to the State and requires the sector to be regulated by law; and Article 9.7 which calls for development and execution of policies to minimize inequalities of income and concentration of wealth , among others;

Revering His Majesty the King’s noble vision of promoting a “Just and Harmonious Society,” and the need to ensure that growing social and economic disparities do not widen further;

Recalling the past resolutions of the National Council pertaining to the sector and the need to uphold the principles of the Constitution in letter and spirit;

Noting that the Mineral Development Policy 2017 has not taken into cognizance the above principles enshrined the Constitution and is contrary to the vision of building a just and harmonious society;

Recognizing that the Mineral and Mines Management Act 1995 does not reflect the vision and intent of the Constitution of Bhutan adopted in 2008.

Hereby calls on the Royal Government to:

- a. Section 3.4.2 of the Mineral Development Policy 2017 is not in line with the Constitution of Bhutan. The house object the implies of the clause
- b. Urgently impose a moratorium on issuance of any new leases to private individuals and businesses based on the Mineral Development Policy 2017,

till the Minerals and Mines Management Act 1995 is amended so that the main law governing the mining and mineral sector is in line with the vision and objectives of the Constitution of the Kingdom of Bhutan, in particular Article 1.12 and Article 9.7 and aligned to the Royal vision of a Just and Harmonious Society.

Voting details on the adoption of the Recommendations on Observations on the Mineral Development Policy 2017

Date: 29/6/2017; Total Votes: 24; 'YES': 24; 'NO': 0; 'Abstain': 0

The following voted 'YES':

1. Hon'ble Tashi Wangyal
2. Hon'ble Phuntsho Raptan
3. Hon'ble Tashi Wangmo
4. Hon'ble Pema Dakpa
5. Hon'ble Dhan Bdr. Monger
6. Hon'ble Sonam Dorji
7. Hon'ble Sangay Khandu (Gasa)
8. Hon'ble Tashi Phuntsho
9. Hon'ble Tshering Dorji
10. Hon'ble Tashi Dorji
11. Hon'ble Sangay Khandu (Samtse)
12. Hon'ble Jigme Rinzin
13. Hon'ble Jigme Wangchuk
14. Hon'ble Nima
15. Hon'ble Kamal Bdr. Gurung

16. Hon'ble Rinzin Dorji
17. Hon'ble Kaka Tshering
18. Hon'ble Tharchen
19. Hon'ble Tempa Dorji
20. Hon'ble Pema Tenzin
21. Hon'ble Nima Gyeltshen
22. Hon'ble Sonam Wangchuk
23. Hon'ble Kesang Chuki Dorjee
24. Hon'ble Karma Tshering

2. Motion on Drafting of an Impeachment Bill

The Chairperson of the Good Governance Committee, the Hon'ble Member of Lhuentse Dzongkhag said the good governance is one of the pillars to achieve the objective of country's development philosophy of Gross National Happiness. He said that among others, accountability is one of the main principles to achieve good governance. While there are relevant laws to impose accountability to other public servants if they fail in their duties, there is no basis to impose accountability for constitutional post holders if they fail in their duties. However, Article 32 of the Constitution of Kingdom of Bhutan provides for removal of Constitutional post holders by way of impeachment by Parliament. Article 32 (5) further stipulates that a law prescribing the procedure for impeachment needs to be made by Parliament. Therefore, the Good Governance Committee submitted a motion to the House to deliberate and decide on whether drafting of the Impeachment Bill needs to be initiated. The Hon'ble Member of Tsirang Dzongkhag supported the motion.

The National Council acknowledging the drafting of an Impeachment Bill as an important issue resolved as follows:

Respecting the Article 32 of the Constitution of Kingdom of Bhutan that provides for removal of Constitutional post holders by way of impeachment by Parliament in accordance with a law prescribing the procedure for impeachment made by Parliament;

Upholding the principle of accountability in promoting good governance in all spheres of public service including that of the Constitutional bodies;

Recognizing the urgency of enacting a separate legislation on impeachment not only to hold the Constitutional post holders accountable, but also to insulate them from a potential arbitrary impeachment attempt by Parliament Members in the future.

The House hereby resolves that the National Council initiate drafting of an Impeachment Bill at the earliest.

(Wednesday, 17th May 2017 corresponding to the 21st Day of the 3th Month of Fire Female Bird Year of the Bhutanese Calendar)

H. Proceedings of Question Time

1. Hon'ble Prime Minister

The Hon'ble Member of Gasa Dzongkhag said that the Tourism Sector in the country is ranked 2nd in terms of revenue generation for the economy and therefore it is considered as an important sector for economic growth. He said that, concerned about the challenges and problems in the sector, the National Council deliberated on the review of the tourism policy in its 17th Session and provided a set of recommendations for implementation by the government. From among the

recommendations, he asked why the government has failed to adopt a comprehensive Tourism Policy and table the Tourism Bill as per the requirement.

On this, the Hon'ble Prime Minister said that tourism sector is an important sector and significant contributor to national revenue. However, there were no major problems faced by the sector while implementing the existing policies. He informed the House that the Economic Development Policy (EDP) 2016 also covers the details regarding tourism and quite recently the Cabinet also endorsed a draft tourism rules and regulations. Therefore, he said that there is no need for a comprehensive Tourism Policy at the moment. However, considering the concerns shared by the National Council with regard to regional tourists and domestic tourists and also as per the Economic Development Policy (EDP) 2016, drafting of a comprehensive Tourism Policy may be initiated this year by the government. He also informed that however, no changes can be made in the tourism tariffs. Similarly, with regard to drafting of a new bill, he submitted that it will be drafted during the current government's tenure bearing in mind the success of the tourism sector and proliferation of laws in the country.

Some of the Members asked what improvements are being made in the tourism sector for regional equality. They also enquired about the plans of the government on the revision of tourism tariffs. In response, the Hon'ble Prime Minister said that several plans are made and are being implemented in the eastern and southern Dzongkhags with the focus on improvement of road, maintenance of airports and improvement of basic infrastructures to bring regional equality. He submitted that nothing can be done with regard to revision of tourism tariff.

2. Hon'ble Minister for Home and Cultural Affairs

The Hon'ble Member of Trashiyangtse Dzongkhag said that the National Council would like to express its appreciation to the government for implementing the recommendations of the National Council passed during the 17th Session regarding issues related to foreign workers and illegal immigration. However, he asked about the implementation status of the recommendations passed by the National Council in relation to whether the government has revised the foreign workers' ceiling; how many valid work permits have been issued thus far to non-uniformed employees of Project DANTAK and IMTRAT; how many dependants of non-uniformed employees have been enrolled and how far the government is ensuring that all foreign labourers including non-uniformed employees of Project DANTAK and IMTRAT as well as their dependants exit the country after the expiry of the permits issued to them.

On this, the Hon'ble Minister for Home and Cultural Affairs expressed his deep appreciation to the National Council for deliberating on important issues related to country's sovereignty and then passing significant recommendations. He said that as per the recommendations of the National Council, the Ministry of Home and Cultural Affairs, for the first time in their history, was able to carry out important tasks which were not possible before. He said that the government was not able to revise the ceiling for foreign workers' in the country because the intention of the government is to maintain the previous ceiling of foreign workers' at 45000 in the future after the completion of hydro-power projects and construction of roads. He also said that the total number of non-uniformed employees of Project DANTAK and IMTRAT which is at 1875 are staying here

legitimately. He submitted that the Ministry is taking extra precaution in order to ensure that all foreign workers' exit the country after the expiry of the permits.

To this, the Hon'ble Members said that as per the policy, the ceiling of foreign workers' is 45000 and today the total number has surpassed the ceiling. They submitted that it has breached the government policy and asked how the government is going to resolve this issue. In response, the Hon'ble Minister said that the government, while carrying out the task, found it difficult to revise the ceiling of foreign workers' right away and submitted that the issue will be resolved after the completion of construction works.

(Friday, 19th May 2017 corresponding to the 23rd Day of the 3th Month of Fire Female Bird Year of the Bhutanese Calendar)

3. Hon'ble Minister for Education

Hon'ble Member of Bumthang Dzongkhag said that with an objective to enhance quality of education in the country, the National Council deliberated extensively on the review of education policy in its 18th session. He expressed gratitude to the Ministry of Education for the submission of follow-up report on the recommendations presented to the Government. However, as there is no comprehensive National Educational Policy he asked when this will be finalized. In order to enhance capacity of teachers, the Teacher Human Resource Policy 2014 requires 80 hours of training in a year; he asked how it is being provided uniformly. He asked on how school education curriculum is updated and made quality, how Namthar and Lekshey of the old curriculum is left without including again in the curriculum, and how Bhutan history is left without being able to teach in Dzongkha.

In response, the Hon'ble Minister of Education said that though there is no comprehensive national education policy, schools, curriculum and teachers have been improved to improve education. Further, he said that examples of policies which are followed currently are advices of His Majesty, provisions of the Constitution, policy and guidelines, human resource development policy, youth development policy, tertiary education policy, and mainly because of having one mother education policy, there is no separate policy. In the human resource development, he said that it is being provided equally. In the previous year, 40 hours duration of training was provided to all the teachers of the country, and in this current year also, trainings for the development of Dzongkha and English will be initiated.

In improving curriculum, he said that the Royal Education Council is in the process of doing in-depth research and making it updated. With regard to Namthar and Lekshey he said that it was not included to put it again during the review of curriculum based on convenience as teachings of the two are like religious preaching and especially there are students from other religions in the schools. With regard to teaching Bhutan history in Dzongkha, he said that though it was started once before, it was discontinued due to lack of capability of the teachers and failing to understand properly by the students, and further, it was not included in the improving of the curriculum.

On this, Hon'ble Members asked when will the research to teach history subject in Dzongkha will be initiated, how the capacity of the contract teachers are enhanced, and as there are negative implication to other schools because of central schools, how are these solutions fixed. Hon'ble Minister responded that, with regard to

history subject, the Royal Education Council is in the process of making research proposals. Contract teachers are also provided timely trainings like other teachers, and if the central school is progressed, it is hopeful that students of community schools can also be determined.

(Friday, 2nd June 2017 corresponding to the 8th Day of the 4th Month of Fire Female Bird Year of the Bhutanese Calendar)

4. Hon'ble Minister for Agriculture and Forests

The Hon'ble Member of Wangdiphodrang Dzongkhag said that the National Council during the previous session raised concerns and questioned the government with regard to their plan to establish a Mega Livestock Project at Samrang, Samdrupjongkhar. In response, the Hon'ble Minister had said that the project is not meant for slaughtering activities and the objectives of the project is to process imported meat, produce dairy products and to supply piglets, fingerlings and pullets. However, the society still has a notion that the project is a slaughtering house. Therefore, he asked how the government is going to get rid of those old hens and fishes that are produced from the project and in what ways the government will make arrangements to sell thousands of animals produced from there. Further, he said that there are no meat-processing facilities installed yet if the said project is meant for meat processing. Therefore, he asked what the government is doing in this regard.

On this, the Hon'ble Minister said that they acknowledge the concerns of the National Council with regard to the project. However, as responded in the past, he said that the government has no plans to turn the project into a slaughter house. The reasons for establishing the project is to create a place that will

produce and supply improved seedlings and animal breeds of fishes, pigs and hens just like other places in the country. Other animals like cows, goats and the buffaloes will be mainly used for milk production at the project. Those animals which can no longer bear calves or lay eggs will also be kept at the project and taken care of until their lifespan. He said that there are no plans to slaughter them. With regard to meat processing unit, he said that it is already being established at Serbithang and they have started to market their products in the towns.

To this, the Hon'ble Members raised their doubt if there is a plan by the government to actually supply fishes rather than fingerlings. They also asked what kind of support the government will provide if private entrepreneurs initiate such kind of projects. On this, the Hon'ble Minister said that they only have plans to supply fingerlings and submitted that the government will render full support to any private entrepreneurs who establish such kind of projects.

(Thursday, 8th June 2017 corresponding to the 14th Day of the 4th Month of Fire Female Bird Year of the Bhutanese Calendar)

5. Hon'ble Minister for Works and Human Settlement

The Hon'ble Member of Lhuentse Dzongkhag said that the construction of new Shingkar-Gorgan Highway, which is expected to benefit in regional balance development and boost socio-economic development of the whole eastern Dzongkhags, was discussed in the 16th Session of the National Council during the proceedings of question time with the Hon'ble Minister for Works and Human Settlement. The Hon'ble Minister during the question and answer session informed and ensured the House that the Ministry is ready with all

the necessary documents and resources except for National Environment Clearance Certificate. In this regard, he asked about the status of the work till now and sought the reasons for delay in implementation of the work. In addition, he asked when the government will start the construction works.

On this, the Hon'ble Minister said that despite having prepared all the necessary documents, resources and budget, the Ministry could not obtain the National Environment Clearance Certificate even today and therefore it has hindered the construction of Shingkhar-Gorgan Highway. Regarding the Environment Clearance Certificate, she said that in one of the earlier Environment Impact Assessment (EIA), the areas for the construction of the Highway have appeared to run through Phrumsengla National Park's central and core areas. Subsequently, in another independent assessment carried out by Ugyen Wangchuk Institute for Conservation and Environmental Research, it was reported that the road passes through multi-use zone and not through the central and core areas. She said that another review is currently under process to reconcile the two reports. However, she submitted that it was still uncertain when the delayed works will begin.

To this, the Hon'ble Members said that other highways in the country are constructed even though it runs through park areas and then sought the reasons for awarding the construction works to project DANTAK. In response, the Hon'ble Minister said that other highways in the country that are constructed along the park areas are only those that passes through multi-use zone and not through the central and core areas. She also submitted that, according to the convenience later on, the government has decided to take up the construction

of Shingkhar-Gorgan Highway although it was earlier agreed that project DANATK would construct the road.

(Monday, 19th June 2017 corresponding to the 25th Day of the 4th Month of Fire Female Bird Year of the Bhutanese Calendar)

I. Closing Ceremony

1. Closing Address of the Hon'ble Chairperson

The 19th Session of the National Council concluded on 19th of June 2017 coinciding with the great occasion of the fourth lunar month and 25th day of the Bhutanese Calendar. The Chairperson expressed his special gratitude to Hon'ble Speaker and Deputy Speaker, Hon'ble Prime Minister and Health Minister for participating in the closing ceremony.

He said that while carrying out the institutional responsibilities, the Members of the National Council have always respected and rendered their service in accordance with the wise advice and guidance of His Majesty the King granted during the conferring of *Dakyen* on the auspicious occasion of Lord Buddha's Parinirvana and moreover during the celebration of the National Days and other functions. He said that the wise advice and guidance of His Majesty the King, which is for the benefit of the country both in the present and in the long run, has always helped in carrying out the responsibilities of the National Council more effectively. He offered his special gratitude and attributed the successful closing of the 19th Session of the National Council to His Majesty the King.

Summarizing the resolutions of the 19th Session, he said that under legislative issues, the National Council has passed the Audit Bill of Bhutan and ratified the Paris Agreement and the Trade, Commerce and Transit Agreement between the Royal Government of Bhutan

and the Government of India. In addition, Supplementary Budget and Appropriation Bill for the Financial Year 2016-17, Budget and Appropriation Bill for the Financial Year 2017-18 and Pay Revision Bill 2017 received as Money Bill from the National Assembly have also been passed. However, the National Council has not passed a Money Bill: the Fiscal Incentives Bill of Bhutan 2017 for the first time in 9 years after the establishment of democracy.

Under issues related to review of policies, he said that the National Council has reviewed the Cultural Heritage of Bhutan and adopted some important recommendations. Observations on the Mineral Development Policy were also made and two recommendations were adopted regarding the unconstitutionality of the policy. Further, the National Council deliberated on the Annual Anti-Corruption Commission Report 2016 and adopted two recommendations to be submitted to the government and relevant agencies. Similarly, the National Council also resolved to initiate drafting of an Impeachment Bill.

The Chairperson said that as always conducted during the Sessions, the 19th Session of the National Council also conducted the proceedings of Question Time with Hon'ble Prime Minister on Tourism Policy, with Hon'ble Minister for Home & Cultural Affairs on foreign workers and illegal immigration, with Hon'ble Minister for Works & Human Settlement on construction of new Shingkar-Gorgan Highway, with Hon'ble Minister for Education on education curriculum and with Hon'ble Minister for Agriculture & Forests on issues related to establishment of a Mega Livestock Project at Samrang.

Similarly, he said that the draft agenda identified for the 20th Session of the National Council includes the Anti-Money laundering and Countering of Financing of Terrorism Bill 2017 to be reviewed by the Economic Affairs Committee, Bhutan Information Communication and Media Bill, 2017 to be reviewed by the Good Governance Committee and issues related to legal aid to indigent persons to be reviewed by the Legislative Committee. Further, other issues were also distributed to other Committees as per the requirement to carry out the works.

He said that the National Council was able to conclude its 19th Session successfully because of the support rendered by all the Hon'ble Members and the Secretariat. In addition, the support rendered by the Hon'ble Speaker when dealing with the National Assembly and the acknowledgement by the Hon'ble Ministers when dealing with the government also attributed to the success of the Session. He also thanked the Royal Bhutan Police for providing external security, the medical doctors for providing health services and the Department of National Properties for making all logistical arrangements.

Moreover, the Chairperson expressed his deepest gratitude to His Holiness the Je Khenpo, Central Monastic Body, Trulkus and Lamas of Nyingma sect for conducting various Moenlam Chennmos and religious programs for peace and happiness in the country. He also thanked them for performing rituals for well-being and for always maintaining peace in the country.

Similarly, he expressed his unfeigned and deepest gratitude to His Majesty the King for looking after the welfare of the people, for always keeping the country in peace and happiness and for providing with the freedom

of peace and happiness whereby every individual is able to accomplish everything that they have in their mind.

The 19th Session of the National Council concluded on 19th June 2017 coinciding with the auspicious occasion of the 25th Day of the 4th lunar Month with *Zhaptern* and *Tashi Moenlam* for the long lives and prosperity of deeds of His Majesty the King, His Majesty the Fourth Druk Gyalpo, His Royal Highness the Gyalsey, Her Majesty the Gyaltsuen and the members of Royal Family.



A handwritten signature in black ink, appearing to be "Sonam Kinga".

(Sonam Kinga)
Chairperson
National Council of Bhutan