

Follow-up report on the resolutions of 16th Session of the National Council

Resolution passed by NC	Implementing agencies	Agencies report
<p>Resolution no. F(1) Review of Tourism Policy and Strategies:</p> <p>1. Urgently frame a comprehensive Sustainable Tourism Policy for development, management and promotion of this important sector in line with national development plans and priorities, and to improve inter-agency coordination;</p> <p>2. Draft a Tourism Bill to provide the legal basis to regulate the sector and provide a strong mandate along with clear authority and accountability of the Tourism Council of Bhutan;</p>	<p>Tourism Council of Bhutan</p>	<p>1. A review on tourism policy was initiated by the Tourism Council of Bhutan in August 2015 by engaging tourism experts from Solimar International with support from the World Bank. Several rounds of workshops and consultations have been held with stakeholders from the private, the government as well as NGO sectors. The final report is hoped to be received soon after which it will be presented to the government. The report will be used to feed into the draft policy document that TCB has already framed since 2005.</p> <p>While a stand-alone tourism policy document has not been adopted by the government, the Economic Development Policy document that also encompasses tourism was adopted by the government in 2010.</p> <p>2. A sustainable tourism legislation framework was drafted since 2005 in consultation with all major national and district level stakeholders and in line with international regulations. The finalized bill was presented to the Cabinet on November 8th 2011 during its 117th session. TCB was directed to review and adopt the National Tourism Policy before the bill. Following that a draft tourism policy document was submitted to the GNHC. However, the policy document could not be finalized and adopted. As stated above a policy document will be</p>

<p>3. Uphold current policy to promote Bhutan as a high-value destination by focusing on enhancing yield and quality through product diversification, infrastructure development and not just emphasizing on increasing the volume of tourists alone;</p>		<p>drafted and submitted to the GNHC after the receipt of the review report.</p> <p>3. All effort is being made to ensure that Bhutan is promoted as a high value destination. Product diversification, development of super structures, human capital development are some of the key areas that TCB is focusing on.</p> <p>Road Side Amenities (cafeteria and restroom) along the highways and trekking routes throughout the country are being developed. In the fiscal year 2015-6 alone, 11 trekking routes are being developed and renovated, out of which many are in the eastern part of Bhutan in line the objective of balancing regional development. It is expected that by the end of the 11th FYP construction of RSAs facilities along the major highways will be completed. New festivals such as the Haa Summer Festival, Matsutake Festivals, Rhododendron Festivals, the Bird Festival etc are all supported by TCB to diversify tourism attractions in the country. Some local festivals in the east are being revived and promoted.</p> <p>While we promote Bhutan as a high-value destination, increasing the number of arrivals also is equally important for generation of employment and distribution of benefits from tourism. However, the number must be manageable and should not have unacceptable negative impacts. TCB is also in the process of reviewing the existing accommodation standardization and classification system by engaging an international expert to ensure quality and standards. All international tourists are mandated to stay in TCB certified accommodation facilities.</p>
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<p>4. Conduct research on maximum carrying capacity of the economy, environment and society so that tourism does not overwhelm our country and people;</p> <p>5. Spread the benefits of tourism to other parts of the country by:</p> <p>a. Improving tourism related infrastructure along with reliable road and air transport networks.</p> <p>b. Connecting the domestic airports in Bumthang, Yonphula and Gelephu with regional airports like Kolkata, Kathmandu and Dhaka to provide direct and easy access for tourists to south, east and central parts of Bhutan.</p> <p>c. Opening of immigration counters in Samdrup Jongkhar and Gelephu for ease of entry and exit of tourists.</p> <p>d. Improving coordination with local government leaders and the relevant Ministries and agencies to promote cultural and ecological related tourism especially those activities that directly benefit</p>		<p>As part of product diversification and to address the issue of lack of hotels, homestays are being developed in eastern Bhutan.</p> <p>4. A comprehensive research on the maximum carrying capacity is being planned to be conducted in next fiscal year. TCB at present is in the process of developing the background papers and terms of reference for the research.</p> <p>5. As follows:</p> <p>a. Improving tourist related infrastructure along with reliable road and air transport network: A comprehensive tourism Development Plan for the eastern Dzongkhags has been developed. The recommendation of improving tourist related infrastructure along with reliable road and airport network has been covered in eastern circuit plan.</p> <p>b. <i>No response</i></p> <p>c. Tourists can enter/exit through three border points (Phuntsholing, Samdrup Jongkhar and Gelephu)</p> <p>d. All tourism related activities in the various Dzongkhags carried out by the TCB are in collaboration with the concerned Dzongkhags. However, it is a constant struggle for TCB when tourism related activities are carried out by</p>
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<p>people living in rural areas.</p> <p>e. Address issues related to seasonality of tourism offering innovative packages to encourage and target travelers during lean seasons including domestic tourism.</p> <p>6. Reform the archaic tourism pricing mechanism adopted in the 1970s by moving from the fixed minimum daily tariff system to a more transparent pricing system that provides tourists greater value for money and discourages the malpractice of undercutting and improves higher value tourism. This recommendation would entail retaining or even increasing the royalty component (sustainable tourism fee) and requiring tourists to be routed through local tour operators and using local tour guides;</p> <p>7. Adopt reasonable measures to improve the quality of services and enhance safety and experience of regional tourists visiting Bhutan. This includes requiring regional tourists to use local agents, guides and transport companies for their safety and to ensure that unregulated and unguided tourists do not come to conflict with the laws and cause social, religious and cultural offences unknowingly;</p>		<p>other agencies without any consultation. This has been raised as an issue by TCB in various forums.</p> <p>e. The Bhutan Thailand Friendship initiative was launched in 2014 during the summer months and was largely successful in encouraging more visitation. The Bhutan-Japan friendship offer for June, July and August 2016 has been launched for the same purpose. Introduction of new festivals such as Nomad festival, Haa Summer festival, Masutaki festival and the Chha festival in Lhuentse are all supported by TCB to target travellers during the lean season.</p> <p>6. As mentioned above a comprehensive review of the tourism policy has been undertaken with the minimum daily package rate comprising an important part of this review. Extensive consultations and workshops have been conducted with all stakeholders. The report will be presented to the Government.</p> <p>7. The TCB and the Department of Immigration have developed an online regional permit system for regional tourist to encourage them to come through registered local tour operator/hoteliers. The tour operators/hoteliers can apply for regional permits for their guests in advance through this system. This system will ensure a better visitor experience for the regional tourists as well as for the hosts.</p>
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<p>8. Develop tourism and hospitality professionals by providing scholarship & leadership training opportunities while also improving and monitoring the quality of training imparted to tour guides by various training institutes; and</p> <p>9. Streamline existing recruitment procedures and rules pertaining to foreign tourism professionals and trainers to enable development of local tourism sector professionals.</p> <p>Further the National Council calls on the Royal Audit Authority to conduct a Special Audit to: Examine the tax files and activities of the tourism sector and ascertain the prevalence of tourism malpractice popularly known as “undercutting.”</p>		<p>8. Currently the Royal Institute of Tourism and Hospitality offers 50 scholarships annually for graduates of class XII to undertake a two years diploma in hotel management and tourism management. The Bhutan Middle Management Hotel Program is also offered to in-service hospitality middle managers to enhance their professional skills and knowledge. A review of the curriculum for guides was carried out in 2015 in collaboration with DOS, MoLHR and amendments incorporated.</p> <p>9. <i>No response</i></p> <p>The Royal Audit Authority is currently conducting a special audit of TCB on the instruction of the National Council.</p>
<p>Resolution no. F(2) review of Hydropower Development Policy and Programs:</p> <p>1. <i>Considering</i> the critical role of hydropower in the economic growth and development of our country, hereby calls upon the Royal Government to;</p> <p>1.1.Revisit the initial hydropower plans and develop alternative plans and policies to sustain the desired economic growth levels,</p>	<p>MoEA, DGPC, BPC</p>	<p>1.1. With the current installed capacity of 1,606MW consisting of six projects, we have harnessed about 7% of the techno-economic potential (24,000MW) as given in the PSMP-2003:</p>

<p>1.2. Draw-up clear strategies with implementation timeline needs so that the projects in the pipeline can include in it the translation of the intent and objective of national policies on both hydropower development and employment.</p> <p>1.3. Direct GNHC to align local development plans with hydropower development plans. Even though millions of Ngultrum flows in as investment in hydropower projects, the trickle-down effect on local economies has been minimal with many of the opportunities left untapped. For example, local food production, housing, etc, have not benefitted.</p>		<p>Taking into consideration the 10,000MW Plan by 2020, as agreed with GoI in 2009, we are to harness about 52%, which however will not be possible.</p> <p>In order to harness the balance potential which comes to about 18,700MW, the Ministry is in the process of reviewing the sartorial policies and plans (i.e. BSHDP 2008, PSMP-2003 and EAB 2001) including the development of a Strategic Road Map for the Hydropower Sector which will be based on the absorptive capacity (macro-economic and socio-environmental impacts) of the country.</p> <p>The revision of PSMP2003 will be carried out with the full involvement of GNHC and relevant agencies.</p> <p>1.2. This can be adequately addressed through the activities mentioned above.</p> <p>1.3. Currently the hydropower projects under construction have been coordinating with GNHC, Dzongkhags and Gewogs in implementing social and environmental management plans. Besides the provision of compensations to affected communities, projects have been providing both capital and physical resources to construct roads, schools, hospitals, drinking water supplies, irrigation channels, monasteries, markets for selling agri. Products, solid waste management, aqua and flora culture, afforestation, employment, contracts to local suppliers and contractors, leasing of private land and buildings, etc. based on the applicable provisions given in the Detailed Projects Reports.</p>
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<p>1.4. Include hydropower development within the FYPs and consequently reflect in the annual budgets. Additionally, audit reports should be submitted to Parliament thereby strengthening parliamentary oversight function.</p>		<p>Efforts are being made to integrate development of housing infrastructure with proposed township within vicinity of the project. Example: Kholongchhu Project is in advance stage of integrating housing infrastructure with new Doksum township with an objective to lease private housings for meeting its residential requirements both during construction and operation phases.</p> <p>In Kholongchhu and Nikachhu Projects, the benefits to the local economy has been ensured by incorporating the provisions of local employment, sourcing material and services from local suppliers and service providers in the main Contract Document and this will be made a practice henceforth for other hydropower projects.</p> <p>1.4. The development of hydropower projects forms an integral part of the FYPs from the activities per se, whose budget so far has been considered outside of the FYP because of commercial nature of the projects. Commercial projects of both the Public and Private Sector are never included in the Government Budget. However, the following is recommended:</p> <ul style="list-style-type: none"> i. Inclusion of the hydropower construction budget in RGoB's Annual Budget needs to be taken up with MoF and GNHC. ii. For GoI assisted projects, the annual fund requirement of the hydropower projects are processed by the respective Project Authorities where GoI releases the funds through the Ministry of External Affairs/Embassy of India directly to the Project. iii. For PPP projects, the project construction fund cannot be
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<p>1.5.Ensure a proper arrangement with the investors to minimize disruption in fund flow to avoid project delays and related cost escalations. A factor that has contributed to cost escalations has been delay in fund disbursement.</p> <p>2. <i>Respecting</i> His Majesty the King’s vision of developing and utilizing hydropower to benefit all Bhutanese people for all times to come, calls upon the Royal Government to;</p> <p>2.1.Amend section 4.2.5 of BSHDP 2008 by stating that the ownership of shares by Bhutanese and Bhutanese firms to be treated similarly as in the case of other investors and shares will need to be reverted back to the RGoB at the end of concession period, and further recommends the RGOB to ensure that ownership of hydropower sector remains with the state when the Electricity Act of Bhutan 2001 is tabled for amendment.</p> <p>2.2.It is also recommended that the highly beneficial hydropower projects be implemented through the</p>		<p>included in the annual budget as the project implementation falls outside the direct purview of the government.</p> <p>Regarding the Audit Reports of the Projects, the RAA generally submits the Reports to His Majesty the King, Prime Minister and the Parliament in keeping with the Audit Act of Bhutan 2006. Besides, the RAA submits to Lhengye Zhungtshog, ACC and the Chairperson of Public Accounts Committee.</p> <p>1.5. As part of due diligence, besides the regular initiatives of the Project Managements, the Ministry on behalf of the RGoB takes up with GoI through formal and informal channels for expeditious release of funds by the GoI. Though, it depends on GoI for the ultimate release of funds. Till date, the projects have not suffered any cost escalation due to delay in fund release.</p> <p>2.1. Recommended provisions will be accordingly considered while reviewing BSHDP and the Electricity Act.</p> <p>2.2. Recognizing the benefits in terms of financing modalities, ownership and control, pursuing the implementation of</p>
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<p>intergovernmental model with concessional financing and full ownership of projects be pursued instead of joint-venture projects which entails partial ownership, loss of management control and tougher financing modality.</p> <p>3. <i>Noting</i> that the preparation of Pre-Feasibility Reports and Detailed Project Reports are an integral part of hydropower development process and these works have been carried out by non-Bhutanese, essentially failing to facilitate build up of Bhutanese expertise making it difficult to place accountability where quality of work is concerned, calls upon the Royal Government to;</p> <p>3.1. Give preference in the preparation of PFRs/DPRs to Bhutanese and local consulting firms,</p> <p>3.2. Frame a guideline for preparation of DPRs (including PFRs) based on lessons learnt from hydropower development to facilitate preparation of good DPRs. Comprehensive DPR preparation</p>		<p>project under IG mode has always been the foremost priority. However, given the size of investment and its financial implications, development of projects through conventional IG mode is increasingly becoming difficult, while at the same time, GoI intends to pursue future projects outside of IG mode.</p> <p>3.1. Recently, the Ministry has given the PFR and DPR works to GDPC who inturn engages its own people and the Bhutanese expertise to the extent possible. Efforts are being made to source services of Bhutanese firms and national wherever expertises are available within the country in line with the Procurement Rules and Regulations. The tender documents are specifically designed so that international firms have to collaborate with Bhutanese firms/nationals and are awarded certain additional points during tender evaluation. The Ministry considers this initiative as a priority and is being accordingly incorporated in the Economic Development Policy under review.</p> <p>3.2. For GoI assisted project, in order to carry out the DPRs in a comprehensive manner, third party vetting for the DPRs prepared by the consultants are being vetted and cleared by various technical oversight agencies of the GoI (CWC,</p>
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<p>and techno-economic vetting needs to be carried out by a non-related third party before implementation decision is taken including major deviations.</p> <p>3.3. Support a mechanism to improve project costing by taking into account time gap between DPR preparation and actual commencement of project by providing an updated DPR cost on the project commencement date, based the learning from past experiences of hydropower projects and looking at their cost upon escalations.</p> <p>4. <i>Recalling</i> the concerns of not having national experts due to lack of knowledge, skills and technology transfer even after three decades of hydropower development in the country, calls upon the Royal Government to,</p> <p>4.1. Strengthen the role of Druk Green Power Corporation in hydropower development as below: 4.1.1. Consider membership of DGPC to the Empowered Joint Group and in the Technical</p>		<p>CSMRI, GSI, CEA, etc.) in line with their Electricity Act 2003 before its implementation. Likewise, the Ministry plans to incorporate the same during the amendment of the Electricity Act 2001.</p> <p>DHPS is currently in the process of looking for donor support for preparation of appropriate Guidelines and Standards for conducting various hydropower development studies.</p> <p>3.3. For the GoI assisted projects, keeping the DPR cost estimates at the DPR preparation price level has been to our advantage, as it becomes easier to get the investment clearance from the GoI cabinet which is mainly based on the DPR cost estimates.</p> <p>The project costs are updated and are brought to current price level during construction, however the reference is always made to DPR cost estimate which gives the impression of huge cost escalation. The deviation in actual & estimated quantities in Hydro-electric Project is mainly due to natural cost escalation (inflation), change in design necessitated at the time of actual construction due to reasons like geological be assessed by the studies at the time of preparation of Detailed Project Report.</p> <p>In view of the long construction period generally involving seven to ten years, the cost escalation become an integral part of the project implementation and as such the guidelines in India provide for submission of revised cost estimates for vetting by the oversight agencies.</p> <p>4.1. The MD, DGPC is already a member in all the EJJ, Project Authority and Technical Coordination Committees of hydropower projects. Besides the IG Projects, DPC is being given the</p>
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<p>eventually add on to the tariff, calls upon the Royal Government to;</p> <p>Ensure optimal utilization of resources during the project implementation to address rising electricity price under the cost plus tariff setting model.</p> <p>6. <i>Acknowledging</i> that discrepancies exist between related policies, calls on the Royal Government to;</p> <p>6.1. Address the discrepancy between the BSHDP 2008 and EDP concerning royalty energy contribution percentages that contradict one another.</p> <p>6.2. Reconsider the requirement of royalty energy at the end of a concession period if and when the government decides to let other producer(s) take over hydropower plant(s) or enters into new contract(s). Royalty energy commitment from concessionaires on extended concession period needs to be reconsidered.</p> <p>7. <i>Noting</i> that the non-compliance to the provisions of the Laws and Policies related to development of hydropower in the country is a serious concern, calls upon the Royal Government to;</p> <p>7.1. Comply with the provision of BSHDP 2008 and deposit 1% royalty in cash to Ministry of</p>		<p>of India vis. CEA, CWC, MOP, Public Investment Board under NITI Aayod, MEA, MOF, Union Cabinet including oversight agencies (Comptroller & Auditor General of India and RAA) of both the Governments in line with their regulations. As such, the projects are being executed within the applicable norms and benchmarks set under the Electricity Act 2003 of India. Besides, due to the long construction period, cost escalations are attributed mainly due to inflation, geological uncertainties etc. which are eventually vetted by the CEA as required under EA 2003.</p> <p>6.1. Will be addressed during the revision of the BSHDP.</p> <p>6.2. Royalty Energy obligation will continue to exist as long as hydropower plant is operational. When plants get reverted back to Government after end of concession period, government shall continue to impose royalty obligation to new concessionaire (O&M Contract)</p> <p>7.1. Will be implemented after securing surplus royalty energy which could be exported subject to consent of Ministry of</p>
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<p>Agriculture and Forest for conservation of integrated water resource management.</p> <p>7.2. Strengthen the national employment policies and laws, where MoLHR is mandated to take up lead in ensuring capacity building and absorption of Bhutanese in hydropower projects, given the dire situation of unemployment in the country and youth unemployment in particular.</p> <p>7.3. Re-align Section 14.1 of BSHDP 2008 which provides discretionary power to the Government to decide on hydropower development outside of a clearly stated policy. This is a great vulnerability and recognizing that anything outside of a clear policy or law will need the support of Parliament before being acted upon.</p> <p>7.4. Draw up a clear procedural, criterion framework for use of rehabilitation, resettlement and local development plan fund. Differences between the usages of local development plan by different hydropower projects are a source of concern. There is need to incorporate consultative procedure with the local development committee as the policy requires.</p> <p>7.5. Provide clarity in institutional mandate and responsibility for social impact assessment unlike for environment where NEC has been mandated.</p>		<p>Finance. This may be realizable only after commissioning of new hydropower plants. Currently, total royalty energy is inadequate to meet the subsidy being provided to make domestic electricity affordable.</p> <p>7.2. In consultation with MoLHR, appropriate measures will be provisioned during the revision of the BSHDP.</p> <p>7.3. Will be revisited during the review of the BSHDP.</p> <p>7.4. Will provide clarity in the revised policy. However, NLC needs to take a lead role in developing such a policy on R&R.</p> <p>7.5. SIA is carried out as integral part of EIA and impact mitigation measures are detailed out in Environmental Management Plan.</p>
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<p>8. <i>Acknowledging</i> the visible instances where the Land Act of Bhutan 2007 has been disregarded by implementing agencies. The provisions in the Land Act of Bhutan 2007 concerning acquisition of private lands for public and national purposes must be followed strictly and the laws once passed must be respected and if provisions found unsuitable, it must be amended but cannot be ignored, calls upon the Royal Government to;</p> <p>8.1.Re-align the compensation measures concerning affected private lands in order to redress increasing sentiments of unfair compensation among the public. Present approaches to compensation to private land owners differ from road construction and other public amenities to hydro- projects.</p> <p>8.2.Revisit the differences in compensation paid to affected parties (private lands) between hydropower projects (generating station) and its ancillary works (like transmission lines and towers).</p>		<p>8.1. Compensation schemes followed in Hydropower are in consonance with the Land Act 2007. The additional incentives of providing 10,000 units of electricity for every acre of land acquired by the project for hydropower is in line with Sustainable Hydropower Development Policy.</p> <p>8.2. These aspects will be revisited during review of the BSHDP.</p>
<p>Resolution no. F(3) Local Governance Assessment report:</p> <p>1. Develop a consolidated National Decentralization Policy supplemented by a Strategic Decentralization Implementation Plan that will set a clearer pathway and future direction for decentralization process in the country.</p>	<p>MoHCA, DLG</p>	<p>1. The process of decentralization started in Bhutan as early as in 1953 with the establishment of National Assembly; Royal Advisory Council in 1963; election of Gups in 1963as decided by the 19th session of the National Assembly; appointment of the Council of Ministers in 1968; establishment of Dzongkhag Yargye Tshogdu in 1981; Gewog Yargye Tshogchung in 1991; and the</p>

<p>2. Devise a planning framework that will provide for more tailor-made and in-depth development strategies and plans (yet aligning to the overall national priorities) for each Dzongkhag and Gewog, since a uniform approach, often issued by the central level is not necessarily adequate enough to solve local issues. Further, ensure that the Dzongkhag and Gewog administrations play more proactive role in defining a Development Vision for their own Dzongkhags and Gewogs and identify implement strategies that best</p>		<p>devolution of executive powers to the elected Cabinet Ministers in 1998. In 2008, Bhutan’s decentralization process culminated into democratic constitutional monarchy with the adoption of the Constitution, followed by enactment of various laws by different sectors to support the implementation of the constitutional provisions. As a result, the decentralization policy finds its expressions in bits and pieces in various sectoral laws and rules in various agencies. Therefore, from the implementers’ point of view, there is an urgent need for consolidated and clear national decentralization policy in black and white to guide and ensure that sectoral decentralization policies do not deviate from the national decentralization policy. On the other hand, it is also required to ensure that authority, responsibility, accountability and resources are strategically decentralized from the central government to the two lower tiers of Local Governments at the Dzongkhag and Gewog levels, with a view to maximizing efficiency, effectiveness and transparency of the public service delivery systems. Therefore, MoHCA would like to support the NC’s recommendations and seek further directives from the Government.</p> <p>2. The Local Governments’ development plans and implementations are coordinated by the Gross National Happiness Commission, not by the Department of Local Governance. However, it is felt the issues and challenges raised by the NC is valid. Therefore, it is proposed that the Government may consult the GNHC.</p>
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<p>suit the local needs.</p> <ol style="list-style-type: none"> 3. Strengthen the capacity of Department of Local Government to provide strategic leadership and effective oversight role for decentralization process, oversee stakeholders' compliance with the Local Government Act and a decentralization policy, execution of a decentralization implementation plan, capacity development, and coordination with central agencies. 4. Initiate citizens' empowerment programmes (e.g dissemination of information through community radio programmes) to increase public awareness on what is and what can be expected from LGs and local leaders and strengthen their capacities to participate in local development processes through critical dialogue and active engagement. And also initiate mechanisms to involve community based organizations in local planning, monitoring and evaluation processes as that will enhance the quality of the outcome. 5. Create awareness on the Local Government Act, Local Government Rules and Regulations, Local Development Planning Manual among the stakeholders, and conduct regular review on their compliance with these legal documents; 6. Institute social accountability mechanisms and effective LG complaints and redressal mechanisms and simultaneously conduct community awareness programmes to provide guidance to communities 		<ol style="list-style-type: none"> 3. It is imperative that the capacity of the Department of Local Governance is strengthened both in terms of recruiting required number and competencies. However, the OD exercise has downgraded the Research Division to a Section which might affect the DLG's capacity to deliver in view of the increase in number and importance of Local Government institutions in the country. 4. The DLG has a tripartite agreement signed with the ACC and the RIM to upscale the social accountability initiatives in all the LGs through trainings and workshops. The DLG would also initiate awareness activities through national television and radio programs to this effect. Through such initiatives, it is expected that citizens are educated on social accountability and are in a position to know what LGs and LG leaders are expected to deliver and make them accountable. 5. The DLG has already conducted various awareness programs for the LG functionaries and would continue to carry out additional programs through appropriate media to deepen awareness among the rural communities. 6. As stated under response numbers 4 & 5.
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<p>where to file complaints. Furthermore, ensure that effective follow-up mechanisms are established.</p> <p>7. Set up learning and exchange platforms among LG functionaries including Tshogpas.</p> <p>8. Review and revise the 1992 tax policy to expand the LG revenue base. Establish a transparent and accountable mechanism for collection and utilization of other fees, tolls, and duties by the Local Governments.</p> <p>9. Consider adapting more flexible formula for the release of the Annual Capital Grant so that LGs with specific funding needs can be allowed to receive higher amounts than the evenly divided 20% from the five year Multi-Year Rolling Budget in years where capital works require higher investments.</p> <p>10. Consider introducing Local Government development achievement profiling tool to gauge development progress of each Dzongkhag and plan development activities accordingly.</p>		<p>7. In the past, the DLG has initiated the Horizontal Learning Programs (HLP) in few Gewogs and to encourage learning and exchange programs for LG functionaries through in-country trainings and workshops. The HLP program will be up-scaled to other Gewogs in the future.</p> <p>8. The DLG has initiated a pocket study to look into the possibilities of expanding revenue base of the Local Governments. The findings of the study would be presented to MoHCA for further directives.</p> <p>9. The Government may direct the Ministry of Finance to review the formula for the release of Annual Capital Grant.</p> <p>10. It is learnt that the Government has instructed the National Statistical Bureau to maintain a comprehensive Dzongkhag and Gewog level databases. The DLG will collaborate with the National Statistical Bureau and relevant agencies to develop an LG development-profiling tool.</p>
<p>Resolution no. F(4) Review of Employment Policies, Programs and Strategies:</p> <p>1. <i>Noting</i> that unemployment is one of the biggest economic and social challenges facing our country but that the responsibility of addressing it has been sectoral, hereby calls upon the Royal Government to:</p>	<p>MoLHR</p>	<p>1.1. Towards ensuring better coordination among various</p>

<p>1.1 Ensure that every agency and sector prioritizes employment creation and promotion as a priority program and establish a mechanism of coordination among them,</p> <p>1.2 Develop comprehensive and long-term policies and strategies to promote entrepreneurship by recognizing it as key to generating employment in view of saturation in the public sector and limited employment opportunities even in existing private sector,</p> <p>1.3 Review curriculum to ensure, amongst others, that:</p> <p>1.3.1 Children’s understanding, appreciation, attitude and interest in agricultural and technical education and vocation are developed early on and steadily enhanced,</p> <p>1.3.2 Children are imparted knowledge and skills in anticipation of the changing dynamics of our economy in future,</p> <p>1.4 And review salary and wage structure of labor force in relation to the nature of work, location of workplace and living standards in such locations and ensure</p>		<p>stake holders, a Cabinet Sub-Committee comprising of Ministers of Labour & Human Resources, Economic Affairs, Education, Finance and Agriculture has been formed. The Committee meets regularly to oversee all employment related issues. Also, on the directive of the Cabinet, an Employment Creation Task Force was set up in 2015. Many of the recommendations of National Council are also contained in the Task Force Report which the Cabinet has directed MOLHR to study further.</p> <p>1.2. The Entrepreneurship and Self Employment Development Division carries out a critical function of promoting entrepreneurship and self-employment. It works very closely with Royal Institute of Management, Tech Park, Loden Foundation and Gedu College of Business to promote entrepreneurship and businesses for self-employment. The Ministry already has a strategy paper for EDP prepared in 2015 with support from UNIDO.</p> <p>1.3. Curriculum for schools is dealt by Ministry of Education. However, towards enabling students to have a better understanding of and to build their interest early in technical and vocational education, MOLHR supports vocational and technical clubs in schools. There are now beauty and hair, cobbling, tailoring, electrical, carpentry, masonry, agriculture and farming clubs in many schools.</p> <p>1.4. National Minimum Wage rates have been revised in 2015. Wages have also been revised for different levels of skills based National Certificates for skills. Further, to encourage educated youth to work in more physically</p>
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<p>enforcement of system of occupational safety, leave rules, work hours, insurances and retirement benefits in order to attract young people to take up blue-collar employment as per Labor and Employment Act 2007.</p> <p>2. <i>Noting</i> that the huge potential of Agriculture Sector in creating employment has hardly been recognized and the trend of growth in this sector had been sluggish although a huge section of our population and the poor depend on it for livelihood calls upon the Royal Government to:</p> <p>2.1 Consider increasing budgetary allocation and investments in this sector</p> <p>2.2 Ease land lease procedures to make them more efficient in order to encourage establishment of cooperatives, farmers groups and agriculture-related enterprises by those who either own little or no landholdings.</p> <p>2.3 Identify agriculture as a priority sector and enhance access to credit facilities by ensuring financial institutions compliance to licensing conditions of expanding Banks’ reach and regional coverage. Also review the current interest rates and work towards affordable credits to farmers.</p>		<p>demanding working conditions such as Dzong constructions and departmentally executed works, attractive wage rates based on qualifications have been fixed vide Notification No. MOLHR/DOE-03/2015-16/250 dated 14 March 2016. The Ministry is also enforcing provisions of the Labour Act incrementally.</p> <p>2.1. The programs and policies of the Ministry of Agriculture in its 11 FY Plan more than adequately covers issues under this point. Further, MOLHR in collaboration with RNR Centers prepared over 20 project profiles in several Dzongkhags to engage youth in agriculture</p> <p>2.2. Ministry of Agriculture and National Land Commission are studying various issues related to land lease procedures.</p> <p>2.3. Agriculture credit was also raised by the Employment Creation Task Force. The Bhutan Development Bank Ltd. and Business Opportunity and Information Centre covered financing of agriculture. BOIC’s succeeding agency, the Rural Development Enterprise, will address many of the gaps in agriculture credit.</p>
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<p>2.4 And create and support a mechanism of assisting farmers, herders and the illiterate lot in incubating business ideas and drafting project proposals.</p> <p>3. <i>Acknowledging</i> that the Tourism Sector has steadily generated lots of employment opportunities, recommends the Royal Government to capitalize upon Bhutan's potential as destination for MICE (meetings, Incentives, Conferences and Exhibitions) in order to diversify tourism products and accelerate growth and employment opportunities.</p> <p>4. <i>Recognizing</i> that skills transfer and human resource and capacity building are essential to acquiring know-how and assuming responsibilities shouldered by expatriates, calls upon the Royal government to;</p> <p>4.1 Monitor, evaluate and ensure compliance by FDI business establishments whereby Bhutanese are trained and eventually employed at all levels of businesses in accordance with FDI Policy.</p> <p>4.2 Liaise with hydropower project authorities to,</p> <p>4.2.1 Facilitate capacity building and skills development through proper recruitment and deployment so that limited progress in such efforts after 30 years of hydropower project constructions (as evidenced by current employment of only 10,987 Bhutanese from a total of 51,665 employees) is expedited.</p> <p>4.2.2 Create enabling arrangements for Construction Development Corporation Limited to work in hydropower construction</p>		<p>2.4. Recommendations under this point are very much a part of 11 FY Plan and are being implemented under accelerated mode.</p> <p>3 The report of Employment Creation Task Force has also recommended these measures to be taken. As these proposals would involve creating suitable conferencing facilities, indepth studies will need to be carried out and investors/promoters identified. This is also a mandate of National Tourism Council and may have been covered in their report.</p> <p>4.1. MOLHR monitors recruitment of foreign and expatriate workers. Continuous pressure is maintained on agencies and firms employing expat workers to replace them with nationals. MOLHR also organizes training in areas where there are skill gaps.</p> <p>4.2. A large number of expats currently in the hydropower projects are engaged in jobs that involve hard physical labour where Bhutanese nationals are not interested. However, in technical, administrative and managerial jobs, MOLHR scrutinizes all applications thoroughly and approval for foreign workers given only after ensuring there are no locals available. To build the pool of local manpower, MOLHR has intensified and rigorously implements several programs such as YES, SEED, GSP, OJT and attachment to develop and upgrade skills of national workforce.</p>
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<p>activities in view of its track record of employing cent percent Bhutanese nationals and its potential of recruiting more Bhutanese for such opportunities in hydropower sector.</p> <p>4.3 Direct the MoWHS to co-ordinate with Project DANTAK to phase-in responsibilities in areas of road constructions to national agencies so that employment in this sector is available to Bhutanese people who now have human resource, engineering and other capacities.</p> <p>5. <i>Recalling</i> the concerns of graduates from colleges of education in 2015 when only 182 from a total of 417 were recruited and 200 employed on contract, calls upon the Royal Government to conduct long-term need assessment of teachers in various disciplines in order to:</p> <p>5.1 Align them with the size of recruitment of teacher-trainees in the colleges in future,</p> <p>5.2 Ensure that teachers have appropriate trainings in disciplines that are in demand for overseas employment,</p> <p>5.3 Ensure that recruitment and training of teachers also consider the projections for private schools and colleges that would be established to cater to education needs of Bhutanese children,</p> <p>5.4 And ensure that such need assessment and training consider other vocations such as nurses, extension workers etc.</p> <p>6. <i>Recognizing</i> Information and Communication</p>		<p>CDCL has been strengthened in preparation for Tangsbi/Nikachu hydropower project. MOLHR has supported employment of many youth including graduate engineers. These are in keeping with NC directives and recommendations.</p> <p>No response</p> <p>5. A Multi Stake Holder Meeting on Repositioning of the Two Colleges of Education was held in April 2016. The meeting has considered overall teacher demand, enhancement of quality of teachers and reforms, capacity development and professionalizing other services in education system. Projections are made up to 2020. Similar exercises are being carried out in other sectors as well.</p>
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<p>Technologies as important development tool and Information Communication Technology as the most potential job generating sector in most of the countries, calls upon the Royal Government to:</p> <p>6.1 Shift focus towards Information and Technology/ITES industry development having put in place the supporting infrastructure along with the enabling plans and policies.</p> <p>7. <i>Appreciating</i> efforts of the Royal Government in initiating and sustaining vocation training programs and instituting employment schemes, recommends the Royal Government to:</p> <p>7.1 Realign or merge Direct Employment Scheme and Youth Employment Scheme since their target beneficiaries are the same and segregate the promotion and regulation aspects of Youth Employment Promotion Programs to avoid conflicts between them.</p> <p>7.2 Extend support under such schemes to youth who take up farming or other agricultural activities.</p> <p>7.3 Monitor and evaluate these schemes since substantial resources are invested in them in order to determine the achievements of the intents and objectives.</p> <p>7.4 Create awareness on job portal system among job</p>		<p>No response</p> <p>7 Discussion on this issue has been going on for a while even within the Ministry and programs have been aligned and contradictions removed.</p> <p>7.1. Engagement of youth in agriculture is covered by schemes under GEP/DES and other programs of MOLHR.</p> <p>7.2. The Ministry is closely monitoring programs under GEP and DES through internal auditors as well as Royal Audit Authority.</p> <p>7.3. Awareness on MOLHR programs as well as job portals have been carried out by Ministry and its Regional Offices in all the Dzongkhags. A month long advertisement on job portal was issued on Kuensel to educate and make aware of it among the youth. Dissemination of information and awareness creation is a planned activity of MOLHR and is carried out every year.</p> <p>7.4. As per the Labour and Employment Act, 2007, the</p>
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<p>seekers, provide clarity on online feedback system and place job help centers in convenient and accessible locations to provide both long-term and short-term career counseling, job information, education-to-work transition seminars and orientation for employees and employers.</p> <p>7.5 Institute service manual system based on the specific needs of different sectors to overcome limitations and challenges of uniform service rules for all sectors.</p> <p>7.6 And re-activate in-house dispute settlement body to address grievances of employers and employees.</p> <p>8. <i>Recognizing</i> that the Constitution, National Council Act, National Assembly Act and Local Government Act provides for adequate staffing of these institutions, calls upon the Royal Civil Service Commission to appoint them for the efficient discharges of their mandates.</p> <p>9. <i>Considering</i> that TVET sector plays an important role in both creation of employment and enhancing employability skills of the job seekers, and despite invariable efforts being made by the Royal Government to strengthen this sector, there is still a scope for improvement. Therefore, it is recommended that the National Council conducts a comprehensive diagnostic study on the current TVET system.</p>		<p>Ministry has already instituted Internal Service manual for the private and corporate sectors.</p> <p>7.5. The in-house dispute settlement is functioning and has helped settle over 100 cases in 2015</p> <p>No response</p> <p>No response</p> <p>9 A TVET Blue Print 2016-2026 has been published in May 2016 with technical and financial support from ADB. The blue print was prepared in consultation with stakeholders in 2015. It addresses most issues raised by the National Council.</p>
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<p>Resolution no. G(1) Issues related to centralization of schools:</p> <p>1. Carryout exhaustive consultation with concerned stakeholders in identifying future central schools by being mindful of some basic criteria like balanced regional development, population and economic background of parents and children,</p>	<p>MoE</p>	<p>1. Following the cabinet approval conveyed on August 4, 2014, a Task Force chaired by Director General, Department of School Education, was constituted to guide and oversee the establishment of Central Schools under the School Reforms Program. The Ministry considers the school reform program as a major initiative of the Government to address concerns on the quality of education and respond to emerging youth issues and other national concerns.</p> <p>The school reform program began with the commencement of 24 pilot central schools in academic year 2015 followed by additional 27 central schools in academic year 2016 increasing the number of CS to 51 as of now. The identification of central schools are carried out through consultative process involving dzongkhag based on the following parameters approved by the Government:</p> <ul style="list-style-type: none"> - Large boarding schools preferably located in more densely populated catchment areas; - Adequate land for expansion and development of infrastructural facilities as CS are expected to grow and expand in future; and - Overtime, accommodate minimum of 80% boarders and 20% day students with mid-day meals. <p>In addition to the above mentioned parameters, due consideration is also given to the existing infrastructure to avoid the need for major investment, regional balance, student population in the dzongkhag and economic background of the communities.</p> <p>Once the central schools are identified through this process,</p>
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<p>2. Rationalize the investment of central school fund to achieve the objective of enhancing quality of education by considering the interest and need of all other non-central schools,</p>		<p>further consultations were carried out with the dzongkhags through other forums such as the Annual Education Conference as well as through the visit of Hon’ble Sherig Lyonpo to the central schools. Views are also sought from the Principals to ensure that the schools are ready to start as central schools.</p> <p>Furthermore, a dedicated unit has been established within the school planning and coordination unit under the Department of Education to support and facilitate the establishment of the central schools. The operational Guidelines for central Schools has also been developed to provide necessary guidance to the Dzongkhags and schools in the areas of human resource, finance, procurement, curriculum, school admission, student support, infrastructure, etc.</p> <p>Therefore the Ministry would like to submit that mechanisms are in place to ensure that the identification, planning and implementation of central schools are carried put through the consultative process involving Dzongkhags. Going forward, as per the resolution of the National Council, the Ministry will continue to facilitate and strengthen the existing consultation process with the relevant stakeholders.</p> <p>2. The main objective of the school reform program is to improve the quality of education and address emerging youth issues among others. This initiative is being implemented with support from Government of India for provision of additional facilities required by the central schools and from the Royal Government of Bhutan for provision of uniforms, stationery, basic essentials, etc. and a mid-day meal for day students. Over time, as the additional facilities are put in place, it is anticipated that</p>
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<p>3. Categorize the central schools into two groups, e.g (PP-VI and VII –XII) for better management, care and development, and,</p> <p>4. Develop an action plan to reduce underutilization of existing educational infrastructure and services in the communities in consultation with Local Government and Dzongkhag administrations.</p>		<p>more students will enroll in the central schools, which would have implications on the enrolment in other schools. Keeping the above in mind, the Ministry does not encourage the major infrastructure development especially in small unsustainable schools as it would lead to wastage of resources. However, some budget is provided from time to time to schools to carry out minor repair and maintenance works to ensure that teaching learning takes place in a safe and conducive environment. Budget allocation is also kept for capacity building of teachers through the provision of the professional development programmes, which is imperative if the quality of education is to be improved.</p> <p>3. All central schools will have classes either from PP-VI or VII-XII which school size ranging from 400 to 1000 students in the long run. In line with the operational guidelines for the central schools, wherever feasible, to ensure effective management and facilitate special attention for the junior students, separate campus is maintained within the main campus or in the nearby PS under the administrative jurisdiction of one principal, who is supported by vice principal in each campus.</p> <p>4. In the long run, when the central schools are being expanded with additional facilities, the enrolment is expected to increase to a minimum of 800 students with possible implications on the enrolment in other schools. Therefore as explained earlier, to avoid wastage of resources, the Ministry and Dzongkhag do not support major infrastructure development especially in small, unstable schools, which may be closed down or downgraded to ECRs due to lack of adequate students.</p>
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