

**2<sup>ND</sup> PARLIAMENT OF BHUTAN  
11<sup>TH</sup> SESSION**



Resolution No. 11

**PROCEEDINGS AND RESOLUTION OF  
THE NATIONAL ASSEMBLY OF BHUTAN**

(June 15 - 29, 2018)

Speaker: Jigme Zangpo



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## **Resolution and Proceedings of the Eleventh Session of the Second Parliament**

### **1. Opening Ceremony**

The Eleventh Session of the Second Parliament of Bhutan commenced on the auspicious 2<sup>nd</sup> Day of the 5<sup>th</sup> Month of Earth Male Dog Year corresponding to 15<sup>th</sup> June, 2018 on Friday. His Majesty the Druk Gyalpo was received in an elaborate Serdrang and Chibdrel Ceremony followed by Zhugdrel Phunsum Tshog-Pai Ten-Drel ceremony.

Following that, the Speaker on behalf of the Parliament and on his own behalf expressed deep gratitude to His Majesty the Druk Gyalpo for gracing the Opening Ceremony, leaving aside numerous important Royal Engagements.

The Speaker also welcomed Members of the Royal Family, representatives of the Central Monk Body, senior government officials, armed forces, and the foreign dignitaries.

To commemorate the golden jubilee of Indo-Bhutan Diplomatic relation, His Majesty the Druk Gyalpo inaugurated Nganglam-Gyalpozhing Highway on 10<sup>th</sup> May 2018 and graced the opening of the Fourth Royal Bhutan Flower Exhibition in Thangzona, Punakha and the installation ceremony of *Utse* for Wangduephodrang. His Majesty also travelled across Dzongkhags visiting schools and meeting teachers, students and the people and granted *kidus*. Therefore, the Speaker on behalf of the parliament expressed utmost gratitude to His Majesty the Druk Gyalpo.

The Speaker also expressed appreciation and gratitude to His Holiness the Je Khenpo and the monastic body for performing

numerous religious programs for the promotion of Buddha Dharma and sustaining peace and harmony in the country.

The Election Commission of Bhutan held the Third National Council Election on 20<sup>th</sup> April, 2018 with supports from Local Government leaders, civil and public servants, and armed forces. The parliament thanked all participants for conducting the election successfully.

As per Royal Command, the Ministry of Education coordinated the celebration of Teachers' Day on 2<sup>nd</sup> May which brought teachers from around the country and also invited 47 former Indian teachers who served since 1960s to observe the day together. The Parliament expressed gratitude to His Majesty the Druk Gyalpo for granting audience to former Indian teachers and also the 43 Indian teachers who came for the celebration.

The Speaker welcomed the National Council Chairperson, Deputy Chairperson, and the Members to the Third Parliament and expressed aspiration that the Members would serve with utmost responsibility and accountability for the welfare of people and the nation.

The Speaker also informed the parliament on the various agenda for Joint Sitting and the National Assembly Sitting. Further, a reminder was made that petitions received from local governments had been forwarded to relevant ministries for necessary actions at the earliest.

The Speaker reported on the delegation to the 138<sup>th</sup> IPU and related meetings in Geneva, and also on his visit to Thailand on the invitation of the President of the National Legislative Assembly of Thailand. With the blessings of Triple Gem, mighty grace of His Majesty the Druk Gyalpo and the Members of the Royal Family and the collective

merits of the people of Bhutan, the Speaker offered prayers for the successful completion of the 11<sup>th</sup> Session. The full address is provided in **Annexure I**.

## **2. Interim Budget for the FY 2018-19**

The Minister for Finance presented the Interim Budget Report for the FY 2018-19. The Minister reported that in accordance with the provisions of the Constitution of the Kingdom of Bhutan and Election Act of Bhutan, the Government was close to the completion of its tenure, and time for the commencement of the 12<sup>th</sup> FYP begun as well. Therefore, the Minister reported that the Government has formulated Draft 12<sup>th</sup> FYP through extensive consultations with the relevant ministries, institutions, Dzongkhags, and Gewogs. Moreover, the Government has held discussions with development partners and projected an outlay of Nu. 336 Billion for the 12<sup>th</sup> FYP.

It was reported that since the 12<sup>th</sup> FYP was in the draft stage, the Interim Budget for FY 2018-19 did not include any new capital activity.

However, the Minister reported that to ensure peace and happiness, and for carrying out continued development plans in the country, the Interim Budget has been classified into four categories:

- 1) Spillover activities
- 2) Critical regular activities
- 3) External funded on-going activities
- 4) Loan repayment and on lending

It was reported that the achievements of the 11<sup>th</sup> FYP were beyond the expectations of the people, and it was also an indication of Bhutan's graduation from the Least Developing Countries (LDC).

Furthermore, it was reported that pursuant to the economics expert

findings and international standard, the Government established Bhutan Economic Stabilization Fund (BESF) with a seed capital of Nu.100 million. Furthermore, for guiding the government to achieve the intended objectives, the draft Charter has been submitted to His Majesty the Druk Gyalpo. To ensure continuity and buildup of the fund, a minimum of 5% of the royalty revenue from the hydropower projects would be transferred to Bhutan Economic Stabilization Fund (BESF).

## **2.1 Fiscal Performance for the FY 2016-17**

The Minister reported that the original budget for the FY 2016-17 was Nu. 49, 981.584 million with estimated resources of Nu. 41,605.862 million resulting in fiscal deficit of Nu. 8,375.722 million and resource gap of Nu. 7631.475 million.

However, it was reported that at the close of the FY, the actual expenditure was Nu. 48,017.988 million with the total realized resources of Nu. 42,673.126 million. This resulted in improving the fiscal deposit to Nu. 5,344.862 million, which was 3.3 % of Gross Domestic Product (GDP). With the borrowing of Nu.3,227.662 million and repayment of Nu. 2703.336 million, the resource gap was reduced to Nu.4,820.536 million or 3.0% of GDP.

It was further reported that the total domestic revenue realized during the FY was Nu. 29,713.600 million, an increase of 6% from the preceding fiscal year. Moreover, during the FY 2016-17, the Government received external grants of Nu. 12,986.752 million, a decrease of 12.8% compared to preceding FY. The total expenditure for the FY 2016-17 was Nu. 49,966.611 million, which was an increase of 10% from the previous fiscal year. The total current expenditure was Nu. 24,129.587 million, an increase of 5.5.% from

the previous fiscal year and accounted for 15.1.% of GDP. The capital expenditure was Nu. 25,837.024 million, which accounted for 16.2 %, an increase of 18.5% compared to the previous FY.

Similarly, it was reported that the total debt outstanding as on 30<sup>th</sup> June 2017 was Nu. 170,256.761 million, which is about 106.6% of GDP, and the domestic debt was Nu. 10,057.344 million. Domestic debt accounted for 5.9 % of the total public debt. Total external debt was Nu. 160,199.417, accounting for 94.1 % of the total public debt. Of the total external debt, hydropower debt was Nu.123,881.575 million and non-hydropower debt stock was Nu. 36,317.841 million.

## **2.2 Revised Budget for FY 2017-18**

The Minister reported that the outlay for the FY 2017-18 was revised from Nu. 55,850.264 million to Nu.56,513.499, and total resource was revised from Nu. 51,402.893 million to Nu. 54,666.724 million. Subsequently, fiscal deficit improved from Nu. 4,447.371 million to Nu.1,846.775 million or from 2.47% to 1.01% of GDP.

It was reported that the total resources increased by 6.3% from Nu. 51,402.893 million to Nu.54,666.724 million, and the revised domestic estimates is Nu. 36,178.374 million, an increase of 21.8% from the previous year. Of the total domestic revenue, Nu. 26,173.125 million was tax revenue and Nu. 10,005.249 million was non-tax revenue. During the FY, the total external grants incorporated was Nu. 1,567.579 million, of which Nu. 364.752 million was from GoI, Nu.312.356 million was from the World Bank, Nu.141.459 million from EU and balance from other development partners. In addition to the incorporation, there was also rationalization of Nu. 863.623 million.

Similarly, a total expenditure for FY has been revised to Nu.

57,915.710 million to Nu.58,607.276 million, an increase by about 1.2%. Current expenditure has been increased from Nu.28,569.671 million to Nu. 28,616.636 million, and capital expenditure was revised from Nu. 29,346.039 million to Nu.29,990.640 million, an increase of 2.2%.

Furthermore, net lending increased from Nu.2,065.446 million to Nu. 2,093.777 million. The external borrowing was estimated at Nu. 3,023.531 million from the fiscal year of Nu. 2,472.082 million.

### **2.3 Interim Budget for FY 2018-19**

The Minister reported that the total budget appropriation for FY 2018-19 was estimated at Nu.43,560.682 million, of which current expenditure at Nu.29,075.167 (67%) million and capital expenditure at Nu.10,772.299 (25%) million. The total appropriation also included Nu.3684.336 million for principal repayment and Nu.28.880 million for on-lending.

It was also submitted that total resources estimated for FY 2018-19 was Nu.40,743.065 million, of which domestic revenue Nu.35,854.998 million and external grants Nu.4,888.067 million. The projected domestic revenue was Nu.35,854.998 million, an increase by 4.4% as compared to previous fiscal year. Of the total domestic revenue of 35,854.998 million, Nu.26,150.961 million was tax revenue and Nu.9,704.040 million was no-tax revenue.

The detail of the category of capital expenditure as provided below:

- 1) Spillover activities:** Nu.2,906.656 million provisioned for ministries, autonomous agencies, Dzongkhags constitutional bodies and Judiciary for spillover activities.
- 2) Critical regular activities:** Nu.2,343.690 million provisioned under RGoB funding for ministries, autonomous agencies,

Dzongkhags, Constitutional bodies and Judiciary for critical regular activities.

- 3) **External funded on-going activities:** Nu.5,521.953 million pertained to externally funded projects and programs for ministries, autonomous agencies, local governments, Judiciary and constitutional bodies.
- 4) **Debt servicing/on-lending:** Nu.3,684.336 million provisioned for loan repayments and Nu.28.880 million for on-lending to BPC for rural electrification.

It was reported that in order to smoothen cash flow management of internal borrowing, T-bills of varying maturity would be issued, which would be redeemed as and when cash flow improved. However, no domestic borrowing had been included in the budget. During the FY, the recoveries and on-lending was estimated at Nu.1,568.853 million and Nu.28.880 million respectively. Regarding the public debt stock, it was reported that based on the external on-going projects, the external debt stock was estimated at Nu.189,225.290 million at the end of FY 2018-19 and the external debt expected to grow by 12.4%.

Furthermore, it was submitted that by the end of FY 2018-19, the domestic debt stock was estimated to be Nu.10, 631.751 million. The total debt service for FY 2018-19 was estimated to be Nu.5,448.348 million. Of the total, debt service through budget was only Nu.5,252.333 million, comprising of principal repayment of Nu.3,684.336 million and interest payments of Nu.1,567.997 million. Submission was also made that budget appropriation on various sectors could be referred from respective sector allocation provided separately in the Interim Budget Report booklet, and Budget Appropriation Bill for FY 2018-19 has also been provided with the Budget Report.

## **2.4 Report on Macroeconomic Performance**

It was reported that the economy recorded a growth rate of 7.99% in 2016 as compared to 6% in 2015 due to strong performance of Service and Industry sectors. As compared to the economic growth in 2016, growth of 6.8% was projected for 2017. Besides, average inflation in 2017 was 4.9% as compared to 3.2% in 2016 and as per the Labour Force Survey 2016, the unemployment rate improved to 2.1% in 2016 from 2.5% in 2015.

It was informed that the overall trade deficit in external sector for the Financial Year (FY) 2016-17 improved to 19.5% GDP (Gross Domestic Product) as compared to 25.3% of GDP in the previous Financial Year. It was expected to improve further to 16% of GDP by end of FY 2017-18. Further, it was informed that the hydropower and non-hydropower exports increased by 12.7% in FY 2016-17 while imports reduced by 0.7%.

It was submitted that at the end of June 2017, total reserves stood at USD 1,226 million, of which USD 717 million was Convertible Currency and INR 25,155 million was in Indian Rupees. It not only covered about 13.5 months of total imports and 29 months of essential imports of the country but also improved the monetary sector performance as the money supply growth increased from 16% in FY 2015-16 to 31.5% in FY 2016-17.

It was reported that the net domestic credit at the end of June 2017 stood at Nu.85.1 billion, which was due to growth in private sector credit and, total resources for the FY 2018-19 was Nu.40,743.06 million, of which 87% was domestic revenue and balance grants. Hence, total resources was about 25% lower than the previous FY, while total expenditure was about 31%. In addition, the total grant

was projected at Nu.4,594.759 million in the FY 2018-19 and total public expenditure in FY 2018-19, the first year of the 12FYP (Five Year Plan), was estimated to be Nu.39,847.466 million, a decrease of 30.9% from the FY 2017-18. It was reported that the current expenditure was estimated to be Nu.29,075.167 million, an increase of 1.6% from the previous year and the capital expenditure estimated at Nu. 10,772.299 million.

Moreover, it was reported that by the end of the FY 2017-18, total public debt was estimated at Nu.181,244.036 million and the external debt estimated at Nu.170,324.486 million, accounting for 93.2% of estimated GDP and that the domestic debt stock was estimated to be Nu.11,043.165 million by the end of FY 2017-18.

## **2.5 Performance of Royal Monetary Authority**

It was informed that in 2017, to ensure economic development, the Royal Monetary Authority (RMA) in collaboration with financial sectors and different institutions, sensitized the public on international financial services. Furthermore, as per the Royal Command, RMA launched the Priority Sector Lending programmer from January, 2018. It was also reported that the total asset and liability of the RMA for the year 2017 was Nu.74.18 billion, a decrease by 7.3% from Nu.80.10 billion in 2016 and the operating income of the RMA increased by 30.56% from Nu.1.50 billion in 2016 to Nu.1.95 billion in 2017.

Additionally, it was reported that for the operating expenses, it grew by 43.20% from Nu.269.05 million in 2016 to Nu.385.28 million in 2017. In addition, in the year 2017, with 27.7% growth, the total surplus amount was Nu.1,568.06 million, of which Nu.1,068.93 million was transferred to the Government after making adjustment

for operational expenses including the cost of the monetary policy operations.

## **2.6 Performance of State Owned Enterprises**

It was reported that total paid-up capital of State Owned Enterprises (SOEs) with direct shareholding under Ministry of Finance was Nu.49,478 million and the total paid-up capital of Druk Holding and Investment (DHI) portfolio companies was Nu.58,956 million. It was further reported that the combined asset value of SOEs reached Nu.260,733 million, which was 143% of GDP and more than 68% of the domestic revenue came from SOEs, mainly from hydropower sector.

Similarly, in 2017, SOEs contributed 38% of the total domestic revenue, which was Nu.11,194 million in the form of dividend and taxes. It was also reported that the total asset value of SOEs grew by 7% from Nu.243,599 million in 2016 to Nu.260,733 million in 2017.

The overall borrowings of SOEs and linked companies declined by 12% from Nu.28,437 million in 2016 to Nu.25,087 million in 2017. In terms of exposure, 82.59% of the total SOE debts amounting to Nu.20,721 million pertained to the Government based on the shareholding pattern and in addition, it was reported that the Royal Government provided subsidies to SOEs amounting to Nu.2,434 million in FY 2017-18.

## **2.7 Performance of Druk Holding and Investments**

It was reported that the total Government shareholding in DHI was Nu.45,087.59 million, which was 91% of the total shareholding in SOEs and in 2017 the net worth grew to over Nu.54,832.3 million from Nu.52,294.01 million in 2016, an increase of 4.85%. Regarding the income, as compared to 2016, the total income for 2017 registered

a growth of about 7.27% which amounted to an increase of Nu.537.3 million and as for the expenditure, from 2016 to 2017, there was an increase of total expenditure by 27.63%, which amounted to an increase of Nu.33.76 million. Besides, the total revenue from DHI in the form of tax and dividend contributed to the Government amounted to Nu.6,347 million, a decrease by around 1% of the domestic revenue as compared to the previous year and the tax contribution for the year 2017 increased by 6.65% to Nu.2,326 million from Nu.2,179 million in 2016.

## **2.8 Performance of National Pension and Provident Fund**

It was reported that the funds contributed to the National Pension and Provident Fund (NPPF) reached Nu.27,431.58 million and it became the third largest institutional investor in the country. In addition, as of June 30, 2017, the total Members recorded were 53,998, with a growth of 3% compared to previous year and total Members represented about 6.92% of total population. Furthermore, it was reported that the investment of the NPPF grew by 16% as compared to previous year and declared the interest rate of 8.3% to the Members.

Correspondingly, it was informed that the NPPF achieved 13.23% of gross revenue growth from Nu.1,877.21 million in the previous year to Nu.2,125.58 million in 2017 and it was also reported that in 2016-17, in addition to the investment of 16%, there was a profit of 3.36% for the year.

## **2.9 Trust Funds**

It was informed that the Cultural Heritage Trust Fund which was established in 1999 with the initial fund of Nu.31.267 million reached Nu.72.825 million by March 2018. Similarly, the Bhutan Trust Fund for Environment Conservation which was established in 1992 with the

initial fund of USD 20.00 million reached USD 52.844 by February 2018 and also the Universal Service Fund which was established in March 2007 with the fund of Nu.194.25 million reached Nu.279.475 million by 15<sup>th</sup> March 2018. Further, it was reported that the Bhutan Health Trust Fund which was established in 1988 with the fund of USD 1.92 million reached USD 60 by 31<sup>st</sup> March 2018.

### **2.10 Endowment Funds**

It was reported that the Sherig Endowment Fund which was established with seed money of Nu.10 million on 2<sup>nd</sup> November 2013 reached Nu.9.555 million by March 2018 and the Art Endowment Fund of Nu.10 million had been recently deposited in the Bank of Bhutan.

The National Research Endowment Fund was established with budget allocation of Nu.10 million in the FY 2017-18 and likewise the Endowment Fund for Crops and Livestock Conservation was established with budget allocation of Nu.50 million in the FY 2017-18. Further, it was also reported that as resolved in the 10<sup>th</sup> session of the 2<sup>nd</sup> Parliament, the Bhutan Economic Stabilization Fund had been established with Nu.100 million.

### **2.11 Hydropower Development in Bhutan**

It was submitted that out of the estimated hydropower potential of 30,000 MW in the country, 23,760 MW was found feasible for hydropower generation. So far 1,614 MW had been tapped and 6,243 MW of hydropower generation under construction. Details of hydropower development projects provided in the Interim Budget for Financial year 2018-19.

### **2.12 Foreign Direct Investment**

It was submitted that in line with the Foreign Direct Investment

(FDI) Policy 2010, as on 31<sup>st</sup> December 2017, Bhutan has around 57 different FDI projects, out of which 40 under operation and 17 under construction. It was reported that based on their profits, the FDI projects employed a total of 5,285 Bhutanese and it was also reported that through tax contributions, Nu.1,580.68 million was contributed to the Government revenue.

Following that, in order to carry out a comprehensive review in keeping with the legislative procedure, the House directed the Finance Committee to review the report on Interim Budget for FY 2018-19 at the earliest and submit its report to the House on 22.06.2018. With that, the deliberation on the Interim Budget for FY 2018-19 concluded.

*(5<sup>th</sup> Day of the 5<sup>th</sup> Month of the Earth Male Dog Year corresponding to June, 18, 2018).*

### **3. Resolution of the Joint Sitting on the 17 disputed clauses of the Audit Bill of Bhutan 2017 between the National Assembly and the National Council**

The Speaker reminded that the National Assembly and the National Council could not reach to a consensus on the 17 clauses of the Audit Bill of Bhutan 2017, and accordingly it was submitted to the Druk Gyalpo in accordance with Article 13(8) of the Constitution of the Kingdom of Bhutan, wherein the Royal Kasha had been granted to deliberate and vote on the Bill in the Joint Sitting. Following this, the Secretary General read the Royal Kasha. The Royal Kasha for the Joint Sitting is provided in **Annexure II**.

The Chairperson of the Joint Committee, Hon'ble Karma Tshering, Eminent Member of National Council, submitted that during the deliberation by the Joint Committee on the 17 disputed clauses of the

Audit Bill of Bhutan 2017, 16 clauses were unanimously endorsed by the Committee Members except for one clause which was decided based on majority through show of hands in accordance with Legislative Rules of Procedure on Joint Sitting.

The House, in accordance with Legislative Rules of Procedure 2017, deliberated and endorsed all the recommendations submitted by the Joint Committee as attached in **Annexure III**. However, on the Joint Committee's recommendation on Section 15 of the Bill which stated "In case of the decision of Parliament on National Budget is delayed, Ministry of Finance shall provide the Authority with interim funds, which shall be at least equal to the previous year's current budget", the Member from Panbang Constituency opined that it need not be incorporated in the Audit Act since it was already reflected under Article 14(9) of the Constitution of the Kingdom of Bhutan.

To this, the Minister for Foreign Affairs and some of the Members supported the motion. However, stating the importance of harmonizing the provisions of law, some of the Members opined to accept as per the recommendations, while, few of them pointed out that the phrase "to provide Interim Budget" may ensue problems in future, therefore, suggested to change the phrase. However, the motion failed to obtain support on the majority vote through show of hands, and therefore, the House endorsed as recommended by the Joint Committee.

After the deliberation on each of the 17 sections of the Joint Committee's report and in accordance with Legislative Rules of Procedure, out of 69 Members present and voting, 62 voted 'Yes', 2 voted 'No' and 5 'Abstained', and passed the Audit Bill of Bhutan 2017 based on two-thirds majority votes. The voting result is provided in **Annexure IV**.

Following that, the Member from Drukjeygang-Tseza Constituency in his dissenting opinion expressed that, he could not support the Bill owing to the decision of the House to endorse Section 15 as per the recommendation of the Joint Committee, regardless of being suggested to change the phrase “Interim Budget”. With that, the deliberation on the Bill was concluded.

*(6<sup>th</sup> Day of 5<sup>th</sup> Month of Earth Male Dog year corresponding to June 19, 2018).*

#### **4. Public Accounts Committee’s report on Financial Audit Report of Royal Audit Authority (RAA)**

Pursuant to call of the Speaker, the Secretary General read out the Royal Kasho of His Majesty the Druk Gyalpo to convene the Joint Sitting of the House. Thereafter, the Speaker declared the Annual Audit Report 2017, Report on Review of In-country Travel, IT Audit Report on core Banking Solution (TCS-BANCS) in Bank of Bhutan Limited and Revenue Collection and Management on Thromdes (both English and Dzongkha except for the Revenue Collection and Management on Thromdes Report which was tabled only in Dzongkha) as public documents which were presented to the Parliament by the Royal Audit Authority (RAA) as per Article 25(1) of the Constitution of the Kingdom of Bhutan. The Royal Assent is attached as **Annexure V**.

Following the declaration, the Chairperson of the Public Accounts Committee, the Member of Parliament from Wamrong Constituency presented the joint report which constituted Part One and Two as follows;

In Part One:

- 1) Review Report of Annual Audit Report (AAR) 2016;

- 2) Review Report of Annual Audit Report 2015;
- 3) Implementation status of 8th Session Resolutions (AAR 2010-2014);

In Part Two:

- 1) Review Report of Two Performance Audit Reports (PARs);
- 2) Implementation status of 9th and 10th Session Resolutions (Performance Audit Reports); and
- 3) PAC's Observations and Recommendations dividing into three chapters were presented in detail.

While deliberating on the report particularly on Part One of the Review Report of Annual Audit Report (AAR) 2016, the Member from Panbang Constituency submitted that resolved irregularities of AAR 2016 was only 30.98% and unresolved 69.018% and therefore he reminded the ministries and agencies to work hard to resolve the pending irregularities. Further, under the unresolved irregularity of MoWHS with regard to Zhemgang Department of Road (DoR) office, he submitted that although 47 kms road from Tingtibi to Praling fell under primary national highway, it had not been blacktopped till now, and it was worst than farm roads, therefore he requested the government to black top the road at the earliest.

In the clarifications provided by Minister for Works and Human Settlement (MoWHS), such minor mistakes had arose mainly due to shortage of human resource and not from fraud, corruption, and embezzlement. Furthermore, she informed that agencies were in the process of resolving those irregularities.

Moreover, the Member from Panbang Constituency submitted that the proprietor of M/s Tenzu Overseas employment agency had been declared missing after committing fraud and such cases could repeat

in future as well, and therefore requested the government to institute measures to resolve such kind of issues.

While deliberating on the Committee's recommendation, the National Council Member from Haa Dzongkhag informed that resolutions were passed in the Sixth and Eighth Session of Parliament in order to resolve the irregularities of the AAR 2010-2014, and should another time extension be given again, then it would undermine respect and compliance with the Resolutions of Parliament causing inconvenience in future. Therefore, he submitted that it was imperative to fix accountability this time itself.

Moreover, some Members submitted that instead of extending the time, the cases of unresolved audit irregularities should be directly forwarded to the court while some Members requested for giving uniform deadline for different AAR irregularities.

To that, the Minister for Works and Human Settlement clarified by stating that such irregularities had arisen due to some minor violation of rules while working in the field and therefore, she requested the House to reconsider once before fixing the accountability. The Minister also stated that should the parliament pass resolution to fix the accountability, it would ensue inconvenience to developmental works and also de-motivate the employees thereby hindering the works.

The House could not come to consensus on the Committee's recommendation and therefore the Speaker directed PAC to amend or come up with new recommendation regarding unresolved irregularities and present on the second day of joint sitting. With these discussions, day one of the joint sitting ended.

*(6<sup>th</sup> Day of 5<sup>th</sup> Month of Earth Male Dog year corresponding to*

***June 19, 2018).***

On 20<sup>th</sup> June 2018, while deliberating on the amended recommendation of PAC as directed by the House, some Members submitted that the Committee's recommendation did not clearly specify the fixation of accountability, and additionally the time extension given by the Committee was limited and the agencies would face difficulty in resolving the issues within such short duration. Therefore, it was requested that the House should provide the time extension till 3<sup>rd</sup> month of 2019. However, some Members stated that instead of fixing the accountability, it was important for RAA, Ministry of Finance (MoF) and relevant agencies to coordinate consultative meetings to understand the reasons for pending irregularities and also to institute preventive measures for future.

To that, the Committee provided clarification by stating that if the unresolved irregularities were forwarded to the court, then it would hinder the officials in carrying out their day to day tasks and moreover, some irregularities were of small amount and seemed inappropriate to forward to the court. The House was further informed that with regard to fixing of accountability, the RAA had the system of fixing the accountability right after it was brought to their notice.

After extensive deliberation on the recommendation, the House endorsed the amended recommendation through majority vote through show of hands, thereby extending one year deadline to resolve all the issues.

While deliberating on Part Two of the PAC's report particularly on Chapter 1- Performance Audit Report on Delivery of OPD services at Jigme Dorji Wangchuck National Referral Hospital (JDWNRH), some Members questioned on non implementation of

Recommendation 4 amongst many recommendations submitted by RAA. To that, the Minister for Health informed that it could not be implemented mainly due to shortage of human resource and to solve the shortage of human resource, the cabinet approved the hiring of experts from outside. Furthermore, he informed that seven doctors would be graduating from the Khesar Gyalpo University of Medical Sciences of Bhutan (KGUMSB) soon and therefore, there would be an opportunity to mitigate the shortage at the earliest.

Moreover, the Member from Panbang constituency submitted that the lams and astrologers who were appointed in the JDWNRH for the benefit of patients as per the Royal Command of His Majesty could not get quarters within the hospital premises, which affected them in providing services to the patients as required. To that, the Health Minister informed that MoH planned to construct permanent residences for lams and astrologers, and it had been included in the 12th FYP. Thus, the Minister urged the House not to worry about it.

After extensive deliberation, the House unanimously endorsed Committee's recommendations 1,2,3 and 4.

While deliberating on Part Two of the PAC's report particularly on the recommendations 5, 6 and 7 of the Chapter 2- Performance Audit Report on Provision of Drinking water in Thimphu Thromde, some Members informed that even the rural areas faced problem of water shortage and therefore it was important to equally look into the matter of provision of drinking water in the rural areas as well. While some Members submitted that the National Centre for Water and Weather Forecast under the Ministry of Economic Affairs, Ministry of Agriculture and Forest (MoAF) and relevant agencies needed to be included in the recommendation, it was also requested that the

House consider to incorporate an additional recommendation on water source management. Some Members shared their opinion on importance of providing quality and adequate drinking water and on the conduct of regular water test.

To that, the Minister for Health informed the House that to ensure supply of quality, adequate and safe drinking water, water testing was being done on regular basis. Additionally, the Minister for Works and Human Settlement informed that her Ministry had developed a master water plan and soon the completion of construction of water reservoir at Dordena would help in solving the water problem. Moreover, the supply of drinking water had been kept as one of the flagship projects in the 12<sup>th</sup> FYP and requested the House to consider on giving additional recommendation on how to strengthen the human resource.

On that issue, the Member from Panbang constituency submitted that such problems would not have arisen if it had been carried out as per laws and therefore emphasized the need for the government to carry out works in accordance with the provisions of the Water Act of Bhutan, 2011. In addition, the Opposition Leader recommended that it was important to include supply of drinking water as top priority in the 12<sup>th</sup> FYP irrespective of which so ever political party formed the next government.

After extensive deliberation, the House endorsed recommendation 5, 6 and 7 along with incorporation two new additional recommendations as follows

1. Parliament recognizes the supply of drinking water as top priority in order to ensure supply of quality, reliable, adequate, and safe drinking water in Thimphu Thromde and the Thimphu Thromde

should take efforts accordingly.

2. The MoWHS and Thimphu Thromde should coordinate a consultation meeting with RCSC to resolve the shortage of human resource in Thimphu Thromde and accordingly nominated the following five Members to review the appropriateness of principle of two additional recommendations;

The Chairperson of PAC	Karma Tenzin
Deputy Chairperson of PAC	Choida Jamtsho
Member from Panbang constituency	Dorji Wangdi
Member from Drametse Ngatshang constituency	Ugyen Wangdi
NC Member, Pemagatshel Dzongkhag	Chening Dorji

As per the Rules of Procedure, while ascertaining the support on the Committee's 8 recommendations and additional 2 recommendations endorsed by the House (in total 10 recommendations), out of 66 Members present and voting, 65 voted 'Yes' and 1 'abstained', and thus passed the recommendations by securing two-third of the votes. Following are the resolution adopted:

1. The Public Accounts Committee should conduct as many Public Hearings as possible to resolve the pending audit irregularities for the AAR 2010 to 2016. In addition, as per the Resolutions of 6<sup>th</sup> and 8<sup>th</sup> Sessions of the Second Parliament, the agencies should resolve the pending audit irregularities within 30<sup>th</sup> June 2019.
2. The RAA should follow up on the recommendations which were partially implemented or not implemented at all and present in the following Parliament session.
3. A shift system must be instituted for Doctors going on round in medical wards and Doctors on duty in medical OPD to prevent the patients from waiting for longer duration.

4. A proper system must be put in place to curtail visiting doctor directly (a) without token, (b) without waiting in line after obtaining the token. Furthermore, no out patient should be entertained in the wards by Doctors on round.
5. JDWNRH should review the effectiveness of the off-hour services.
6. The RAA should follow up on the recommendations which are partially implemented and not implemented by the respective agencies and present the status in the following Parliament session.
7. Coordination amongst the relevant agencies (MoWHS, NECS, RCDC, MoH, and Thimphu Thromde) should be strengthened in order to implement the recommendations from 4.9 to 4.13 of RAA fully.
8. Thimphu Thromde should prioritize the water usage as per the Water Act of Bhutan 2011 and henceforth discontinue providing treated drinking water for car wash in commercial car washing units.

While deliberating on Part Two of the PAC's report particularly on chapter 3- follow up of implementation status of 8<sup>th</sup>, 9<sup>th</sup>, and 10<sup>th</sup> Sessions' resolution, the Member from Drujeygang-Tseza constituency informed the House on difficulties faced by a family Members in availing loans, if any Member from his/her family availed loans from REDCL and failed to liquidate the loan. In addition, the Member from Panbang constituency stated that although the NPL rate had reduced, the most concerning was the rate of non performing interest, which stood at 74%, and questioned the government on the status of 74% of non performing interest. On that, the Opposition

Leader opined that it was important for the Committee to review the laws regarding loan disbursement to ensure sustainability of loans.

On the clarification, the Committee informed that since REDCL had been providing loan as per the laws it would not affect the other family Members in availing loans, should any other family Member failed to liquidate the loan availed before. With regard to high rate of nonperforming loans (NPL), Committee stated that NPL included both principal amount and interest on loan.

The Member from Drujeygang Tseza recommended that it was important to include ways and means to develop tourism in the southern Dzongkhags while framing policies and laws for Tourism in the 12th FYP. To that, the Committee informed that the issue was regarding the follow up resolution of past sessions and therefore, it was inappropriate to give additional recommendation on that. The House unanimously decided not to provide any additional recommendation on the matter and thereafter concluded the deliberation on PAC report. (7<sup>th</sup> Day of 5<sup>th</sup> Month of Earth Male Dog year corresponding to June 20, 2018). The voting result is provided in **Annexure VI**.

## **5. Resolution of the Finance Committee's Review Report on the Interim Budget for Financial Year 2018-19**

In accordance with the Article 240 of the National Assembly (Amendment) Act of Bhutan 2014, the Chairperson of the Finance Committee presented the reviewed report on the Interim Budget for Financial Year 2018-19. The Government formulated the Interim Budget with an objective for the current expenditure and to ensure continuity and completion of activities of the 11<sup>th</sup> Five year Plan in Financial Year 2018-19. In addition, it was to provide critical regular activities as per the legal mandate to ensure continued public service

delivery and to upkeep the debt, and loan repayment.

Besides the report on the Interim Budget for Financial Year 2018-19, the Committee also presented the House the total budget amounting to Nu.43,560.682 million, of which current expenditure amounting to Nu.29,075.167 million and capital expenses to Nu.14,485.515 million as the Interim Budget Appropriation Bill 2018-19. Further, the total Revised Budget amounting to Nu.61,481.827 million, of which Initial Budget amounting to Nu.60,777.871 million and Supplementary Budget of Nu.703.956 million under Supplementary Budget Appropriation Bill were also presented. As such, the Committee submitted that Annual Financial Statements 2016-17 and 3 Money Bills for endorsement.

He informed the House that the recommendation to keep Nu.160.616 million as proposed in the Committee's Report for the National Assembly Secretariat was later clarified by the Ministry of Finance. Thus, the recommendation needed to be withdrawn.

The Finance Committee's Report is provided in **Annexure VII**.

The House while deliberating on the report, some Members from the Opposition party informed the House that the Interim Budget was for the 1<sup>st</sup> Year of 12<sup>th</sup> Five Year Plan, and the commencement of Third Parliament. Hence, the Members submitted that should the House endorse as per the report, then there was a possibility of setting a bad precedence and could breach the principles of laws. Thus, it was important to think over the matter.

Furthermore, the Members informed the House that during the Preliminary meeting, all Members agreed to adopt the Interim Budget for only 6 months for the continuity of economic development and public services prior to the 3<sup>rd</sup> Government. Since, the budget was

for the Financial Year 2018-19, the Members informed that the Opposition party would not be able to provide support on the Interim Budget.

Similarly, the Members further reported that if the Government had formulated the plan keeping its 5 year tenure, then such spillover activities would not have appeared. Generally, it was reported that the developmental activities should have been completed during the end of present Government's tenure. The Members also submitted that it was vital for the Government to think it over, whether the present Government would set a good practice to the future Government.

Moreover, the Opposition party could support just 4% of the total projects, only 30 projects out of 510 new projects suggested in the Interim Budget. On the other hand, in other budget reports' activities and expenditure, the reports were supported by considering its substance and that too endorsed for 6 months only.

To that, the Minister of Finance, other Cabinet Ministers, and Members made submission to the House that regarding the principle, it was thoroughly discussed during the Preliminary meeting by including current expenditure and excluding new activities. As a result, the Members reported that the House also came to a consensus to keep the title of the budget as "Interim Budget." Hence, the Members reported that there was no setback regarding the principle and need not worry much on this matter. Furthermore, the Members submitted that the present Government did not start this new practice of keeping spillover works rather it was the practice since the previous years. It was also reported that the previous Government spent around Nu.600 million in 11<sup>th</sup> Five Year Plan to complete the spillover works of 10<sup>th</sup> Five Year Plan.

Similarly, the Members submitted the House that while formulating the plans, should the Government only focus on its tenure of 5 years, then the plan would not benefit the people and the country as a whole. As a result, while formulating plans on mega projects that benefit both in sustainability and general public, the Members made submission that spillover works were inevitable. Further, the report was made that the Government included only current expenditure and did not include the Capital expenditure in the Budget, and also the Government had not passed the budget for 12<sup>th</sup> Five Year Plan.

In addition, the Members also expressed that the time incurred in the completion of the works cannot be calculated if the budget was to be provided for 6 months only, as some works get delayed depending the environment of working conditions. As a result, budget had been formulated for a year for the benefit of people and country's development. However, it was informed that the present Interim Budget would automatically be cancelled, after new adoption of new budget by third Government.

Accordingly, the Members informed the House that there would not be any differences in time and setbacks even if the budget was formulated for a year or 6 months. The Members also submitted that should the budget be endorsed by the House, there was nothing much to worry. Also, it was stated that as per the legal provision, the Interim Government led by the Chief Advisor would come into existence, there would not be any inconvenience arising for the current expenditure.

After extensive discussion in the House on the Interim Budget, the Ministry of Finance informed that the reason behind the formulation of budget for a year was for the benefit of the country and the people,

and to make the situation convenient. However, the Member told that should the House not come to the consensus, the current expenditure would be maintained as it is for a year, and capital expenditure to be decreased to 6 months. While ascertaining the support from the Members, majority of the Members supported through the show of hands.

Similarly, under the Interim Budget Appropriation for the Financial Year 2017-18, the Initial Budget amounting to Nu.60.777.871 million was endorsed and in addition, the Supplementary Budget of Nu.703.956 million was also endorsed. As a result, the budget for FY 2017-18 revised to Nu.61,481.827 million. With all Members supporting the Bills, the Speaker as per the rules adopted two Money Bills on 22<sup>nd</sup> June 2018. With that remarks, the discussion on the Interim Budget report for the Financial Year 2018-19 concluded.

***(8<sup>th</sup> Day of the 5<sup>th</sup> Month of the Earth Male Dog Year corresponding to 21<sup>st</sup> June 2018).***

The Member In-charge of the Bill, the Minister of Finance submitted the Motion to pass the Initial Budget amounting to Nu.60.777.871 million, and the Supplementary Budget of Nu.703.956 million, totaling the revised budget to Nu.61,481.827 million for FY 2017-18 on 9<sup>th</sup> Day of the 5<sup>th</sup> Month of the Earth Male Dog Year corresponding to 22<sup>nd</sup> June 2018. The House passed the Interim Budget Appropriation Bill for the Financial Year 2017-18, where 44 voted ‘Yes’, 1 vote ‘No’, out of 45 total Members present.

In the same way, the Member In-charge of the Bill, the Minister of Finance submitted the Motion to pass the Interim Budget for FY 2018-19 amounting to Nu.36,317.924 million, out of which capital expenditure amounted to Nu.7,242.757 million for six months and

current expenditure Nu.29,075.176 Million for one year.

The Leader of Opposition informed the House that the Interim Budget was a special budget. As a result, the Opposition Leader submitted the motion to change the title of the Bill from “Interim Budget Appropriation Bill for the Financial Year 2018-19” to “Interim Budget Appropriation Bill for the Financial Year 2018” to avoid inconveniences in the future. However, the Speaker clarified that there would not be any inconvenient in retaining the budget title as mentioned in the Report.

Following that, while ascertaining the support on the Interim Budget Appropriation Bill for the Financial Year 2018-19, all 45 Members supported the Bill and therefore, adopted the bill. The voting list is provided in **Annexure IX**.

*(9<sup>th</sup> Day of the 5<sup>th</sup> Month of the Earth Male Dog Year corresponding to 22<sup>nd</sup> June 2018).*

**6. Question Hour: Group A- Questions relevant to the Prime Minister, Ministry of Home and Cultural Affairs, Ministry of Information and Communications, Ministry of Agriculture and Forests, and Ministry of Finance**

The Speaker informed the House that for today’s Question Hour, there were twelve questions, of which six were for oral responses and other six for written responses. The Speaker also informed that the opportunity to ask supplementary questions would be given only after all oral questions had been answered by respective ministries.

1. The Member from Kengkhar- Weringla Constituency reported that the unemployment rate stood at 13.20% and urban youth unemployment at 23.30%, which was the highest unemployment rate and worst scenario in Bhutanese labor market and it was

indeed deeply worrying for the nation. The government promised 100% employment and seeing the current situation, it was a big failure on the government's part and he questioned the Honorable Prime Minister to explain why and where things went wrong

2. The Member from Chumi-Ura Constituency asked the Minister of Agriculture and Forests on the measures taken by the Ministry to ensure that potato farmers did not face losses like in previous years and the commitment ensuring that the farmers' hard works were paid off.
3. The Opposition Leader submitted that the Constitution provided for an independent and apolitical civil service as an important prerequisite of good governance. However, the Prime Minister stated in Kuensel that many senior civil servants were identified as candidates of the current ruling party much before they resigned and confirmed their candidatures. The Opposition Leader questioned whether that was not a violation of the Constitutional provisions and politicization of Civil Service.
4. The Member from North Thimphu Constituency stated that the pilot project to broadcast BBS 1 and BBS 2 and to bring telecommunication networks to Soe, Naro, and Lingzhi Gewogs via South Asian Satellite was a success. However, the Member questioned the Minister for Information and Communications as to when this project would be implemented.
5. The Member from Khamaed-Lunana Constituency submitted that the government provided two small Power Tillers as promised and had been very helpful to the people. However, he reported that Lunana comprised of mostly rocks, which make it difficult for the farmers to till the land with the present small Power Tillers.

Therefore, the Member asked the Minister for Agriculture and Forests to ascertain any possibility for the ministry to provide the Gewog with bigger Power Tillers.

6. The Member from Panbang Constituency reported that the first elected Government achieved an average GDP growth of around 7.20 % in the 10<sup>th</sup> Plan, whereas, the current government pledged GDP growth of 10% during the 11<sup>th</sup> Plan. However, he stated that as the term came to an end, the average growth rate in the last 5 years was just around 5 %, only half of what had been promised. Therefore, he reported that it was clearly a huge failure and questioned the Prime Minister to explain why and where things went wrong.

*(9<sup>th</sup> Day of the Earth Male Dog Year corresponding to 22<sup>nd</sup> June, 2018).*

*Note: Detailed answers and deliberations on the above mentioned oral questions and written questions submitted by the Member from Nganglam Constituency to the Ministry of Agriculture and Forests, the Member from Drametse-Ngatshang Constituency, and the Member from Gangzur-Minjey Constituency to the Ministry of Finance, and the Member from Bartsham-Shongphu and the Member from Khamaed-Lunana Constituency to the Ministry of Information and Communications provided separately in the Verbatim booklet published for reference.*

## **7. The Resolution on the Good Governance Committee's Reviewed Report on the Anti-Corruption Commission's Annual Report 2017**

The Dy. Chairperson of the Good Governance Committee, the Member from Nyishog-Saephu Constituency presented the Good

Governance Committee's reviewed report on the Anti-Corruption Commission's Annual Report 2017. He informed the House that the Anti-Corruption Commission in order to create awareness programs with the public with respect to the key aspect of corruption prevention and on trial basis, an "Integrity Club" had been established in every school.

The report also stated that the walk-in complaint increased to 28.2% of the total number of complaints received as compared to 25.6% in 2016 and 19.8% in 2015. Of the total walk-in complaints, 46.2% qualified for investigation. Moreover, 50.8% complaints were identified as "abuse of functions" complaints, while remaining complaints were stated to be "embezzlement". Generally, of the **303** total complaints received by the Commission, only 39 were found to be qualified for investigation.

The Dy. Chairperson further informed the House that during the year, 105 of complaints were shared with relevant agencies for administrative action on which it had received only 31 Action Taken Report. On contrary, many agencies had not submitted the Action Taken Reports. During the year 2017, 44 new cases had been opened, making a total of 64 cases as of the end of 2017. It was also reported that the Commission had been able to forward 15 to the Office of Attorney General for prosecution. A total of 15 were under prosecution by the Court whereas, 8 complaints were shared for administrative actions. Furthermore, 19 complaints were under investigation. It was informed that however the investigation on 7 complaints had been concluded. It was also highlighted that a few embezzlement cases also pertained to Gewog Development Grant (GDC).

The Dy. Chairperson also informed that only 21.8% of the financial restitution was restituted. A total of Nu.111.703 million was reported for the total restitution pending, excluding those in appeal stages as of the year-end. And in the cases listed, there were amount un-restituted as high as Nu.91,007,261.52 in Samtse Mining case.

It was also reported that in terms of reduced corruption status, Bhutan rose by one step in global ranking to 26 from 27 in 2016. However, the main challenges faced by the Anti-Corruption Commission were limited financial provisions and Human Resources. It was also pointed out that there was less scope to pursue for further studies for the staffs working in the Commission and as a result, even those in service were resigning from the job. The Committee's 14 recommendations submitted were as mentioned below;

1. The Anti-Corruption Commission should review its criteria for examining complaints from time to time and include in the annual Reports.
2. The Anti-Corruption Commission should include in the Annual Reports the outcomes of the Anti-Corruption Commission's audits carried out by the Royal Audit Authority and report significant cases.
3. The Anti-Corruption Commission, the Royal Bhutan Police and Office of Attorney General should have a regular system of meetings instead of leaving it on an occasional basis.
4. The Anti-Corruption Commission should include in its annual reports a chapter on the compliance with the Action Taken Reports, agency-wise.
5. The Anti-Corruption Commission must include in its Report the values analyzed for the key performance indicators such a turn-around time at the level of different institutions involved for

cases.

6. The Anti-Corruption Commission should abide by the past resolution of the National Assembly with regard to the ombudsman's function to start with.
7. The Anti-Corruption Commission should develop Human Resource Development project proposals for donor-financing and the Ministry of Finance to secure funding from donors.
8. As directed by the past resolutions of the National Assembly, the Royal Civil Service Commission should provide greater leeway to the Commission to enable it to function independently under the parameters set in the Constitution.
9. The Government should direct agencies to comply with the requirement to submit the Action Taken Reports (ATR) to the Anti-Corruption Commission in time.
10. The Government (Department of Trade and the Department of Revenue and Customs) must secure funds from the Ministry of Finance and implement the remaining systemic recommendations within the coming financial year.
11. The Government could consider commissioning an independent agency to determine an index of the state of corruption and corroborate the Transparency International.
12. The government must strengthen the Internal Audit Units of the different agencies.
13. The Government must take immediate action to reconstitute large amounts as resolved before.
14. The Office of Attorney General must include a detailed analytical

report in its annual reports on the efforts made and results achieved with respect to restitutions.

While discussing on report by the House, the Member from Panbang Constituency and some other Members informed that though the Committee in its report had covered the important aspects yet it was important to include in its report the core corruption issues such as “abuse of functions”, favoritism, embezzlement, bribery, misuse of powers and rights and, conflicts of interest. The Member also stated that the Commission had established an “Integrity Club” system on trial basis in four schools, and similarly, it was very important to look upon the scope of organizing such system in other schools.

It was reported that as per the Transparency International list, Bhutan had risen to 26, from 27 in 2016 which clearly indicated the decreased in the corruption though it had been perceived that the corruption rampant in the country. The main reasons for such achievement were all because of the Anti- Corruption Commission’s tireless effort put into in achieving it.

Similarly, the Leader of Opposition and some of the Members informed the House that as stated in the Anti-Corruption Commission’s Report, certain number of individuals could not be traced thus affecting the budget restitution as the major concern. For that, Members submitted that issuance of travel document for those individuals need to be restricted. Furthermore, the Commission should also include those complaints into corruption list to be thoroughly investigated and prosecuted. In the end, the losses had to be borne by the citizens and the country. As a result, it was stated that the Anti-Corruption Commission must review and amend the rules and regulations in order to screen and identify the corruption practices. Additionally,

Members reported that it was very important to educate the Members of the Parliament of the third Parliament on exercising the Integrity.

To that, the Minister for Home and Culture Affairs, and the Minister for Work and Human Settlement also submitted that, till now the accused had been apprehended by the Royal Bhutan Police after discussing with the alliance countries. It was informed that the corruption had been widespread before the introduction of Democracy. After introduction of Democracy, the corruption had fairly decreased over the years. It was also reported that since the Department of Roads was one of the important organizations that worked towards the country's development, there was possibility of corruption in the organization and certain number of people lodging complaints against it. However, it was informed that the accused had not being declared instantly and thus, the Department faced difficulties in taking action against it.

After extensive deliberation, the House came up with 5 additional recommendations by the Members on the report were as follows:

1. Anti-Corruption Commission should amend and change the rules and regulations.
2. The Commission should educate the Members of Parliament of third Parliament on exercising of Integrity.
3. Henceforth, the Anti-Corruption Commission's Annual Report should be submitted in the Joint Sitting of the Parliament for discussion.
4. The main reasons behind corruption were "abuse of functions" and favoritism in the country. Thus, Anti-Corruption Commission should prioritize in the development of good Leadership in both Government and Private sectors.
5. The premises for corruption related suspects that were under

custody and arrested after questioning and investigation should be separated from general accused. As a result, a new premises/ area must be constructed. During the time of construction, a separate area was ought to be constructed for them.

The House endorsed the 14 recommendations submitted by the Committee. In addition to the recommendations from the Committee, the House added five more recommendations. The House voted on the 19 recommendations and out of 35 Members present and voting, 34 voted 'Yes' and 1 Abstained.

The voting list provided in **Annexure X**.

*(12<sup>th</sup> Day of the 5<sup>th</sup> Month of the Earth Male Dog Year corresponding to 25<sup>th</sup> June 2018).*

**8. Question Hour: Group B- Questions Relevant to Ministry of Works and Human Settlement, Ministry of Foreign Affairs, Ministry of Education, Ministry of Health, Ministry of Economic Affairs, and Ministry of Labor and Human Resources**

The Speaker informed the House that for the day's Question Hour, there were fourteen questions, of which ten questions were for oral responses and other four questions for written responses. The Speaker also informed that opportunity to ask supplementary questions would be given subject to availability of time.

1. The Member of Chhumig-Ura Constituency questioned the Minister for Works and Human Settlement to kindly inform the House on the status of Shingkhari-Gorgan Highway. The Speaker informed that the questions from the Member from Dophuchen-Tading and the Member from Panbang Constituency to the Ministry of Education were similar. Hence, the questions had been divided as part A and B for Question number 2.

- A.** The Member from Dophuchen-Tading Constituency reported that the IWP (Individual Work Plan) mandated by RCSC to all civil servants led to quite a lot of controversy, especially among educationists. After teachers expressed difficulty in the implementation of some of the components of IWP, Hon'ble Prime Minister had directed MoE to discuss, review and validate these difficulties. The Member questioned the Minister for Education to report on what actions or other follow up had been taken so far to resolve the issue.
- B.** The Member from Panbang Constituency reported that the government had recently introduced a new Performance Management System called the Individual Work Plan. However, the new system had a lot of negative impact on the overall management and administration of schools and also the performance rating of individuals. The Member sought explanation from the Minister as to how such policy was introduced, and whether the government would look into the matter and rectify the policy to make it more suitable for the teachers.
3. The Member from Nubi- Tangsibji Constituency stated that the government always mentioned of giving the highest priority to the private sector. However, he stated that the government had been getting involved in the business and industries handled by the private sector. The Member questioned the Minister for Economic Affairs on how the interventions of Government in such affairs were of benefits to the development of private sector.
  4. The Member from Drujegang-Tseza Constituency questioned the Minister for Works and Human Settlement to report the House on

the status of the road from Khebisa to Dagana Dzong.

5. The Member from North Thimphu Constituency questioned the Minister of Education whether there were any plan and policy to establish ECCDs in rural areas since such effective initiatives were mostly planned in urban areas.
6. The Opposition Leader stated that despite lot of reservations, the BoIC had been established to kick start the economy. However, according to the PAC report, only 3,467 applicants out of 7,230 were approved, and those who had not been approved were disappointed and dissatisfied after spending huge amounts on project preparation and professional consultations. In those cases, they did not received the loan or the expenses they incurred for designing the project. The Member questioned the Minister for Economic Affairs on the measure taken up by the government to address the grievances of those applicants.
7. The Member from Nganglam Constituency reported on the incidents of constant harassment and mob attacks involving Bhutanese vehicles traveling via Indian states, and despite all those, people had to take the same route. The Member reported that the permanent solution was to build our own Southern route linking Samtse and Jomotsangkha. The Member questioned the Minister for Works and Human Settlement as to why the Government stopped constructing the road, and whether there was any provision to revive it in the 12<sup>th</sup> FYP.
8. The Member from Dokar-Sharpa Constituency reported that under the leadership of the Minister for Education, there had been numerous changes, and one among them was the introduction of Central Schools which had highly benefited most of the people.

Thus, the Member questioned the Minister for Education to clarify to the House on the sustainability of the Central Schools.

9. The Member from Khamed-Lunana Constituency questioned the Minister for Works and Human Settlement to report the House on the status of the budget approved for blacktopping of Gasu Road. (*13<sup>th</sup> Day of 5<sup>th</sup> Month Earth Male Dog Year corresponding to 26<sup>th</sup> June 2018*).

*Note: Detailed answers and deliberations on the above mentioned oral questions and written questions submitted by the Member of Bartsham-Shongphu Constituency, the Member of Drametse-Ngatshang Constituency and the Member of Radhi-Sakteng Constituency to the Ministry of Works and Human Settlement and the Member of Sergithang-Tsirangtoe Constituency to Ministry of Health provided separately in the verbatim book published for reference.*

## **9. Prime Minister's Annual Report on the State of the Nation**

In accordance with Section 10 under Article 10 of the Constitution of the Kingdom of Bhutan, the Prime Minister presented the Annual report on the State of the Nation to the Joint Sitting of the Parliament. The report was based on twelve major achievements of the Government.

### **9.1 Sovereignty and Security**

Prime Minister reported that His Majesty the Druk Gyalpo guarded Sovereignty and Security which was the most important concern for the people. His Majesty served as the Supreme Commander-In-Chief and worked tirelessly for days and nights which further strengthened our nation's sovereignty and security. The Government also sought to protect sovereignty and security whenever establishing foreign

relations between international organizations and countries. In that regard, relations with India had been strengthened and also cordial relations had been established with China through effective Border discussions.

It was also reported that relations with other countries like Bangladesh, Nepal, Sri Lanka, Thailand, America, and European Union had been developed. In addition, Bhutan had begun to contribute to the UN by participating in peacekeeping operations which had enhanced the name of our country as an independent nation.

## **9.2 Peace, Unity and Harmony**

Prime Minister reported that it was because of His Majesty that people enjoyed peace, unity and harmony in the nation. It was also very important to keep in mind what His Majesty spoke on peace, unity and harmony. His Majesty told us that it was the responsibility of each and every citizen to safeguard our peace, unity and harmony. It was reported that for the 11<sup>th</sup> FYP, the budget outlay was Nu. 225 billion, out of which recurrent fund was Nu.115 billion and capital expenditure was Nu.110 billion. The Government received grant of Nu.70 billion from which Nu.45 billion was received from the Government of India for economic development and Nu.5 billion as Supplementary Grant. The Prime Minister expressed thankfulness to the Government of India and other development partners for the grants.

## **9.3 Rural Development**

Prime Minister reported that about 62% of our people live in rural areas. Life was difficult resulting in rural urban migration and goong-tongs. The Government focused on rural road construction in the 11<sup>th</sup> FYP. A total of around 180 gewog center roads had been blacktopped

and 5,400 kms of roads had been constructed resulting to a total of 11,200 kms farm roads in the country. The Prime Minister reported that sufficient maintenance funds were provided and each Dzongkhag was provided with an excavator and a backhoe.

It was stated that in the 11<sup>th</sup> Plan, 12,000 rural households were connected to electricity grid, resulting in more than 99% nationwide electrification. Also other facilities like biogas, LPG, mobile and internet services were provided to the rural dwellers.

It was also reported that Agriculture and livestock were important sources of livelihood in rural areas. In the 11<sup>th</sup> Plan, agriculture and livestock productivity significantly increased. In the previous year, the economy generation from agriculture and livestock stood high at Nu.26 billion. The Prime Minister reported that in the 11<sup>th</sup> Plan, BDBL granted a total of Nu.7 billion loan and REDCL granted a total loan of Nu.1.1 billion to the rural citizens. 187 farm shops were established which highly benefited the people.

Moreover, it was reported that Gewog banks were opened. As one of the most important objectives of the 11<sup>th</sup> Plan was to alleviate poverty, His Majesty's generous provision of land and *zhisar kidu* helped reduce poverty. The Prime Minister reported that in the last five years, all 205 gewogs were provided Gewog development fund, amounting to Nu.2 billion expenditure for the government and each dzongkhag received a sum of Nu.70 million each year which led to creation of 8,200 employments in the country.

#### **9.4 Urban Development**

The Prime Minister reported that 38% of our population lives in urban area. In the 11<sup>th</sup> Plan, Nu.15 billion had been spent on improving urban infrastructures. Urban Plans for 45 Thromdes had been prepared.

## **9.5 Economy**

Prime Minister reported that the total GDP in the 11<sup>th</sup> Plan is Nu.180 billion. The foreign reserves stood at US \$ 1.2 billion and Rs.18.6 billion, which had drastically increased from that of the 10<sup>th</sup> Plan. The external debt increased to Nu.170 billion compared to Nu.95 billion in previous plan. However, it was mostly hydropower loan and it should not be a concern. The non-hydro loan had been reduced from Nu.41 billion to Nu.37 billion in this plan.

Prime Minister informed that the number of people availing loans increased due to reduction of interest rates which benefited the people and the economy at large. In terms of tourism, there had been a significant development generating Nu.8.4 billion revenue and also creating around 400 employment opportunities.

Similarly, it was reported that hydro power revenue stood at Nu.18.6 billion comparatively higher than before. The Prime Minister reported that some hydro power projects were completed while some are 77% and some 85% nearing completion to be commissioned soon.

## **9.6 Employment**

Prime Minister reported that although the unemployment rate reduced from 2.9% to 2.4%, the youth unemployment rate had increased to 10.6%. In the 11<sup>th</sup> Plan, 74,000 employment opportunities were created by the Government and still 5,000 employment opportunities were vacant. The MoLHR provided employment opportunities to 32,000 youths and 27,000 youths were given opportunities through Direct Employment Scheme, apprenticeship training program and overseas employment scheme amounting to Nu.1.2 billion expenditure.

## **9.7 Education**

Prime Minister reported that in the 11<sup>th</sup> Plan, the focus on education

were three-fold namely in terms of school reforms which led to establishment of 63 Central Schools, Curriculum review and professional development of teachers which amounted to a total expenditure of 215 million.

## **9.8 Health**

Prime Minister reported that the average lifespan increased from 66.3 in 2005 to 70 in 2017. In the last five years, 6 hospitals and 28 BHUs were established with increased number of doctors and health assistants. 118 ambulances were in service to the people. The helicopter services transported 368 serious patients to avail medical services. The Health Trust Fund which was previously Nu.1.2 billion increased to Nu.2.3 billion. His Holiness the Je Khenpo granted *Kidu* and free vaccines for cough and asthma to the senior citizens.

## **9.9 Transport**

Prime Minister reported that one of the biggest achievements of the 11<sup>th</sup> Plan was the East-West highway widening and maintenance with the total expenditure of Nu.6 billion which benefited businessmen and tourists alike. The Prime Minister also reported that Gyalpozhing-Nganglam, Haa-Samtse, Damchhu-Chhukha highways were established and also Southern roads constructions put to halt by security issues were resumed.

## **9.10 CulturePrime**

Minister reported that our culture continued to remain vibrant because of the leadership of His Majesty the Druk Gyalpo. People were also deeply grateful to H.H the Je Khenpo, Dratshang, Lamas and Trulkus and all monastic institutions for preserving our spiritual traditions. Additionally, in the 11<sup>th</sup> Plan, 4 new Dzongs were constructed and 7 Dzongs were renovated. 2,000 Chortens were renovated by the

people voluntarily which benefited our country. The Prime Minister reported that in accordance to His Majesty's Royal Decree, Hindu *mandirs* were constructed in Gelephu and Samtse while Thimphu *mandir* was on the verge of completion. Jomatsangkha *mandir* would be restored.

### **9.11 Environment**

Prime Minister reported that while it was important to safeguard the environment in terms of forests and biodiversity, it was also important to enhance livelihood of our rural people. For that, Bhutan for Life Fund has been initiated with Nu. 3 billion funds and the Prime Minister reported that most of the fund would be spent in the 12<sup>th</sup> Plan.

### **9.12 Good Governance**

Prime Minister reported that to promote good governance, the Royal Government introduced Government Performance Management System (GPMS) in the 11<sup>th</sup> Plan which helped proper functioning of the government. The Prime Minister reported that in the 11<sup>th</sup> Plan, the Judiciary and the Constitutional bodies carried out all their duties and also the Second Parliament was successful with fruitful deliberations. The parliament enacted 13 new laws, amended 9 laws and ratified 11 international conventions. Therefore, the Prime Minister expressed gratefulness to all the responsible institutions.

Furthermore, it was reported that the draft 12<sup>th</sup> Plan projected a total budget outlay of Nu.336 billion of which, Nu.200 billion was recurrent budget and Nu.136 billion capital budget. From the recurrent budget outlay, Nu.73 billion was for pay and allowances which also encompassed Nu.20 billion for pay increases of civil servants and local governments. From the capital budget outlay of Nu.136 billion,

Nu.58 billion was budgeted for central agencies and Nu.58 billion for local governments.

The Prime Minister made a detailed report and expressed that the achievements of 11<sup>th</sup> Plan was due to the leadership of His Majesty the Druk Gyalpo, the cooperation, support and commitment from citizens and the continued service from the Civil Servants.

The Prime Minister concluded the report by thanking all the people for having the opportunity to serve the nation and people for the last five years. He stated that in the last five years, he worked towards serving the best interest of the nation but might have fallen short in some areas and not lived up to some of the expectations for which he would like to humbly apologize. The session concluded with prayers for continued peace and prosperity in the nation by the merits of Their Majesties, Her Majesty the Gyaltsuen, Members of the Royal family and the blessings of His Holiness the Je Khenpo, Lamas and Trulkus and the monastic institutions.

*(15<sup>th</sup> Day of the 5<sup>th</sup> Month of the Earth male Dog Year corresponding to 28 June 2018).*

## **10. Concluding Ceremony**

Address by Tshogpon Jigme Zangpo at the Closing Ceremony of the Eleventh Session of the Second Parliament

On behalf of the Parliament, the Speaker humbly welcomed His Majesty the Druk Gyalpo for gracing the opening and closing ceremony of the Parliament. His Majesty has always guided the Parliament with wise counsel. Therefore, the Members of the Parliament and the Speaker expressed their deepest gratitude and reverence to His Majesty the Druk Gyalpo.

The Speaker also welcomed Her Majesty the Gyaltshen, Members of the Royal Family, representatives of the Central Monastic Body, armed forces, senior government officials and foreign dignitaries who had come to witness this occasion.

The Speaker expressed that our benign His Majesty worked tirelessly for the welfare of our people, strengthening national sovereignty, security, economic development in the country. His Majesty visited all Dzongkhags and Gewogs, and granted land *kidu* graciously to our people in needs. His Majesty also granted *Chhoetse Penlop* scholarships to many Bhutanese students as well as enrolled numerous students as *Gyalpoi Tozey*. His Majesty had been granting *kidu* to many needy citizens across the country.

The Speaker expressed that His Majesty, as the upholder of the *Chhoe-sid*, had always been supporting Dratshangs, and other religious bodies across the nation. In order to preserve our national monuments to its former glory, His Majesty commanded the reconstruction of Wangdue Phodrang Dzong, Paro Drugyel Dzong, besides supporting various constructions of lhakhangs, goendeys, chortens. His Majesty strengthened the judicial branch and constitutional offices in the country, established Royal Institute for Governance and Strategic Studies (RIGSS) and Jigme Singye Wangchuck School of Law (JSWSL) which greatly benefit our country.

Furthermore, His Majesty, as the Supreme Commander of the Armed Forces, always granted *kidu* to armed forces personnel and also introduced *Desuung* Program. His Majesty had sent many armed forces officers to the UN Peacekeeping missions. His Majesty paid official to Thailand, Japan, Singapore, India and Bangladesh. His Majesty's Royal visits culminated to maiden state and official visits

to Bhutan by the Princess of Thailand, Princess of Japan, Duke and Duchess of Cambridge (England), President and Prime Minister of People's Republic of India, and the President and Prime Minister of Bangladesh, thereby deepening mutual cooperation and strengthening bilateral ties with other countries. Therefore, the Parliament expressed utmost gratitude to His Majesty the Druk Gyalpo.

The Speaker informed that His Holiness the Je Khenpo presided over numerous Annual *Moenlam Chenmo* in all Dzongkhags, granted seed money to raise funds for conducting numerous religious activities across the nation, and granted several ambulances. Therefore, the Parliament offered its deepest gratitude to His Holiness the Je Khenpo.

The Speaker reported that under the dynamic leadership of His Majesty the Druk Gyalpo, a total of 11 parliamentary sessions were held. A total outlay of Nu.221 billion had been approved by Parliament during the 11th FYP; 23 bills passed; 11 conventions ratified; 11 motions, 483 questions and 174 local government petitions deliberated.

Moreover, the Speaker informed that guided by noble counsel of the His Majesty the Druk Gyalpo, successive hereditary monarchs and constitutional provisions, the Prime Minister also spoke on various platforms on the topics such as Gross National Happiness, Bhutanese culture & social conditions, Bhutanese democracy, environment and business opportunities in Bhutan. Lyonchhen represented our country and uplifted the image of Bhutan in the international arena.

Additionally, Lyonchhen visited all 20 Dzongkhags at least five times to monitor development plans and to hold public review of 11 FYP. Under the strategic direction of Lyonchhen, all Cabinet Ministers, Government Secretaries, Director Generals, Directors, Dzongdas, Gups, civil and public servants worked vigorously through enhanced

decentralization. Thus, the foundation of Good Governance had been strengthened, and the results of the 11<sup>th</sup> Five Year Plan especially in the areas of economic development, agricultural produce, basic amenities, technology, health and education had seen notable achievements than expected.

It was all because of the Government of India for providing huge developmental assistance to Bhutan, other international agencies for their assistance during the 11<sup>th</sup> FYP, and assuring continuous assistance in the 12<sup>th</sup> FYP. All these donor commitments attribute to His Majesty's wise leadership, continuous guidance, noble advices of His Majesty the Druk Gyalpo, and thus, the Parliament expressed deep gratitude to His Majesty for noble support and guidance.

The Speaker expressed that the Members of the Second Parliament were immensely fortunate as their term coincided with the Birth Year of Guru Rinpoche. Their term also coincided with the 400 years of the arrival of our Spiritual Leader, Zhabdrung Ngawang Namgyel to our country. Thirdly, Members had the rare opportunity to commemorate the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuck and pay humble tribute and respect.

Fourthly, Members could also celebrate 12 years of His Majesty's accession as the *Chhoetse Penlop* and Ten Years of glorious reign of His Majesty the Druk Gyalpo on the Golden Throne. Fifthly, the people celebrated the Royal Birth of His Royal Highness the Gyalsey Jigme Namgyel Wangchuck.

The Speaker expressed thankfulness to the people of Mongar Constituency for bestowing full trust and confidence, and electing him as their representative in the Second Parliament. Above all, the Speaker expressed honour for being entrusted by His Majesty the

Druk Gyalpo and having received Dakyen as the Speaker, which would be cherished as the most unforgettable moment in his personal life.

The Speaker stated that he served with my fullest dedication and due allegiance always keeping in mind His Majesty's words of wisdom and wise counsel. He upheld the responsibilities as dear as his own life, and kept aside all personal affairs while presiding over the assembly sessions. He expressed his gratitude for the opportunities he got lead parliamentary delegations to Association of SAARC Speakers and Parliamentarians (ASSP), Asian Parliamentary Assembly (APA), Inter-Parliamentary Union (IPU), European Parliament (EP), AFPPD & related meetings. The Speaker reported that the Members shared ideas and parliamentary best practices, strengthened friendship and collaboration with other parliaments, and thus, felt extremely proud with such fruitful achievements.

The Speaker extended heartfelt appreciation to all the Members of the Parliament having collectively served under the same roof - supporting each other, prioritizing national interests, and making the 11<sup>th</sup> Session successful. He further expressed appreciation to all Members of Parliament for their support and cooperation.

The Speaker submitted that it was truly unprecedented in the history of Bhutan to witness and serve under the dynamic leadership of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo and HRH the Gyalsey Jigme Namgyel Wangchuck in a single period. On behalf of people of Bhutan, Speaker offered prayers for the good health and long life of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, His Royal Highness the Gyalsey, Members of the Royal Family, perpetuity of the Wangchuck dynasty, eternal peace

& harmony of the Bhutanese people and everlasting sovereignty of our country. {The full Address is provided in **Annexure XI**}

## Annexure I

### **Annexure I: Inaugural Address by Tshogpon Jigme Zangpo at the Opening Ceremony of the Eleventh Session of Second Parliament of Bhutan**

1. The Eleventh Session of the Second Parliament of Bhutan commences today on this auspicious day graced by the kind presence of His Majesty the Druk Gyalpo.
2. On behalf of the Parliament, it is my pleasure to welcome His Majesty the Druk Gyalpo with immense gratitude for gracing the opening ceremony of the Eleventh Session, leaving aside numerous royal engagements.
3. I would also like to welcome Her Majesty the Gyaltshen, Members of the Royal Family, representatives of the Central Monastic Body, senior government officials and foreign dignitaries who have come to witness the occasion.
4. In commemoration of the Golden Jubilee of Indo-Bhutan diplomatic relations, His Majesty the Druk Gyalpo recently inaugurated Nganglam-Gyalpozhing highway on May 10, 2018. The highway, besides benefitting the economic development of the nation, will greatly benefit Bhutanese people travelling to the eastern Dzongkhags in particular. On behalf of the Bhutanese people, I would like to express heartfelt gratitude to His Majesty the Druk Gyalpo.

Similarly, His Majesty the Druk Gyalpo graced the opening of the Third Royal Bhutan Flower Exhibition held in Punakha. Coinciding with the auspicious day of Lord Buddha's Parinirvana, His Majesty also graced the installation of *Sertog* (golden pinnacle) on the *Utse* (main tower) of Wangdue Phodrang Dzong.

His Majesty personally visited all the Dzongkhags to evaluate rural development and meet the people. His Majesty visited various schools and granted audiences to teachers, students and the people, and also granted *kidu* to the needy people during the visit. Therefore, the Parliament would like to express utmost gratitude to His Majesty the Druk Gyalpo.

5. His Holiness the Je Khenpo has carried out numerous initiatives for the promotion of Buddha Dharma in the country for the benefit of sustaining peace and harmony in the country. Thus, the Parliament would like to express gratefulness to His Holiness the Je Khenpo.
6. The Election Commission of Bhutan (ECB) has carried out procedural reviews and advocacies for free and fair elections in the country. Hence, the Third Parliamentary National Council Election was completed successfully on April 20 with maximum number of people participating in the election. The successful completion of the National Council election was possible due to collaborative efforts of the Election Commission of Bhutan (ECB), Local Government leaders, civil servants and armed forces. Therefore, the Parliament would like to extend gratitude to all institutions and individuals involved and to our people for their participation in the election.
7. As per the Royal Command to commemorate a yearlong Golden Jubilee of Indo-Bhutan diplomatic relations, the Ministry of Education (MoE) hosted a grand celebration of Teachers' Day on 2<sup>nd</sup> May at Changlimithang, among many other initiatives. Such initiative reaffirmed to further strengthen and stabilize the existing diplomatic ties between the two countries. Teachers

from various schools in the country and retired teachers who served since 1960s from India were also invited to mark the day together.

The Ministry of Education (MoE) invited senior retired teachers from India who served in Bhutan as guests of honour to celebrate Teachers' Day and awarded the certificates of commendation to each of them. In addition, His Majesty the Druk Gyalpo graced the Teachers' Day celebrations and granted special audiences to the Indian teachers, who were extremely gratified by such noble initiative from His Majesty. The Parliament would like to thank all 43 senior Indian teachers for marking the celebration.

Such a historical initiative from the Ministry of Education (MoE) has only been successful due to His Majesty's noble guidance and counsel for sustaining eternal harmony among the people and generations to come. Therefore, we would like to express our utmost gratitude to His Majesty the Druk Gyalpo.

8. On behalf of the National Assembly, I would like to congratulate and welcome the Chairperson, Deputy Chairperson, Eminent Members, Members re-elected and the newly elected Members of the National Council of Bhutan. I am hopeful that the Members of National Council will continue to uphold its service in this highest legislative body that has strong democratic foundation with utmost responsibility and accountability for the welfare of the country and the people.
9. The Parliament of Bhutan will be deliberating the following agenda items in the Joint Sitting of the session:
  - a. Deliberation on the disputed clauses of the Audit Bill of the Kingdom of Bhutan 2017;

- b. Deliberation on the Implementation Status of the 10<sup>th</sup> Session resolution of the Public Accounts Committee (PAC), Performance Audit Report; and
  - c. Report on the State of the Nation.
10. The National Assembly during its 11th Session will be discussing on following:
- a. Annual Anti-Corruption Report 2017;
  - b. Interim Budget for Fiscal Year 2018-2019, Fiscal Report for Fiscal Year 2016-2017, Supplementary Budget for Fiscal Year 2017-2018, and the Macro-Economic Status Reports.
11. The agenda items received from Wangdue Phodrang, Pemagatshel and Zhemgang Dzongkhags had been deliberated during the Preliminary Meeting held on May 31, 2018, and forwarded to relevant ministries and agencies for necessary action. It is imperative that the ministries and agencies take necessary actions at the earliest possible.
12. I would like to inform the general public that I have led a parliamentary delegation to the 138<sup>th</sup> Inter-Parliamentary Union (IPU) and related meetings in Geneva. On the invitation of the President of the National Legislative Assembly of Thailand, I also visited the Parliament of Thailand and reaffirmed mutual cooperation, friendship and future collaborations between the two parliaments.
13. In conclusion, with the blessings of the Triple Gem, mighty grace of His Majesty the Druk Gyalpo and the Members of the Royal family, collective merits of the people of Bhutan, I would like to offer prayers for the successful conclusion of the Eleventh Session of Second Parliament.

**Annexure II**

**Annexure II: Royal Kasho**

The Royal Assent is hereby granted on the submission for the deliberation and voting on the disputed clauses of the Audit Bill of Bhutan 2017 between the National Council of Bhutan and National Assembly of Bhutan, in the Joint Sitting of the Parliament, in accordance with the Section 8, Article 13 of the Constitution of the Kingdom of Bhutan. Granted on the 21st Day of the 4th Month of the Earth Male Dog Year.

**DRUK GYALPO**

## Annexure III

### **Annexure III: Joint Committee's Recommendations on the Audit Bill of Bhutan 2017 to the Joint Sitting of the Parliament**

The Seventeen Disputed Clauses of the Audit Bill of Bhutan 2017 between the two Houses were extensively deliberated by the Joint Committee and following that, the Chairperson of the Joint Committee submitted the Committee's recommendations to the House. The House extensively deliberated on each recommendation and therefore adopted the following recommendations submitted by the Joint Committee in the Joint Sitting.

#### **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 8**

**There shall be** ~~The Regional Offices and Training Center of the Authority and it shall be headed by senior officials of appropriate ranks. an official equal to the rank of the Deputy Auditor General and Director respectively.~~

#### **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 17**

**The Authority shall determine its organizational structure in consultation with Royal Civil Service Commission and administer it independently.**

### **Section 18**

**The Authority shall have independence and powers to regulate appointments, management and dismissal of its staff other than the Auditor General in accordance with the Civil Service Act.**

### **Section 19**

~~Except for the Auditor General, the Authority shall regulate appointment, management and dismissal of its employees in accordance with the Civil Service Act~~

### **Section 38-47**

~~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.~~

**Annexure IV****Annexure IV: Voting result on disputed clauses of the Audit Bill of Kingdom of Bhutan 2017**

**Voting: Passed: Yes: 62 Abstain: 5 No: 2 Total present: 69  
Seats: 107**

1.	Lhatu	Delegate	Yes
2.	Dechen Zangmo	Delegate	Yes
3.	Tshering Tobgay	Delegate	Yes
4.	Madan Kumar Chhetri	Delegate	Yes
5.	Yeshey Dorji	Delegate	Yes
6.	Zanglay Drukpa	Delegate	Abstain
7.	Nima	Delegate	Yes
9.	Khandu Wangchuk	Delegate	Yes
10.	Dina Nath Dungyel	Delegate	Yes
11.	Yeshey Zimba	Delegate	Yes
12.	Wangdi Norbu	Delegate	Abstain
13.	Jigme Wangchuk(Radhi)	Delegate	Yes
14.	Pema Gyamtsho	Delegate	Yes
15.	Norbu Wangchuk	Delegate	Yes
16.	Dorji Wangdi	Delegate	Yes
17.	Lhaki Dolma	Delegate	Yes
18.	Kesang C Dorji	Delegate	Yes
19.	Nyeema Sangay Tshempo	Delegate	Yes
20.	Karma Tenzin	Delegate	Yes
21.	Ritu Raj Chhetri	Delegate	Yes
22.	Jigme Wangchuk	Delegate	Yes
23.	Nidup Zangpo	Delegate	Yes
24.	Choining Dorji	Delegate	Yes
25.	Sangay Dorji	Delegate	Yes

26.	Dophu Dukpa	Delegate	Yes
27.	Pema Drukpa	Delegate	Yes
28.	Anand Rai	Delegate	Yes
29.	Karma Tshering	Delegate	Yes
30.	Mengbo Dukpa	Delegate	Yes
31.	Kuenga	Delegate	Abstain
32.	Tashi Dorji	Delegate	Yes
33.	Phuntsho Rapten	Delegate	Yes
34.	Sonam Dondup Dorji	Delegate	Yes
35.	Chimi Dorji	Delegate	Yes
36.	Dawa Gyeltshen	Delegate	Yes
37.	Tek Bdr Subba	Delegate	Yes
38.	Tshering	Delegate	Yes
39.	Karma Dorji	Delegate	No
40.	Pelzang Wangchuk	Delegate	Yes
41.	Rinzin Dorji(P/ling)	Delegate	No
42.	Tempa Dorji	Delegate	Yes
43.	Dupthob	Delegate	Yes
44.	Dorji Khandu	Delegat	Yes
45.	Lekey Dorji	Delegate	Yes
46.	Choida Jamtsho	Delegate	Yes
47.	Yogesh Tamang	Delegate	Yes
48.	Kezang Wangmo	Delegate	Yes
49.	Dorji Choden	Delegate	Abstain
50.	Tashi Samdrup	Delegate	Yes
52.	Rinzin Jamtsho	Delegate	Yes
53.	Tshewang Jurmi	Delegate	Yes
54.	Ugyen Wangdi	Delegate	Yes
55.	Karma Gyeltshen	Delegate	Yes

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56.	Ugyen Namgay	Delegate	Yes
57.	Karma Rangdol	Delegate	Yes
58.	Pema Dakpa	Delegate	Yes
59.	Tashi Wangyal	Delegate	Yes
60.	Damcho Dorji	Delegate	Yes
61.	Rinzin Dorje	Delegate	Yes
62.	Tashi Wangmo	Delegate	Yes
63.	Namgay Dorji	Delegate	Abstain
64.	Sonam Pelzom	Delegate	Yes
65.	Ugyen Tshering	Delegate	Yes
66.	Tshewang Rinzin	Delegate	Yes
67.	Surjaman Thapa	Delegate	Yes
68.	Dhan Kumar Sunwar	Delegate	Yes
69.	Tirtha Man Rai	Delegate	Yes
70.	Kinley Om	Delegate	Yes
71.	Novin Darlami	Delegate	Yes

**Annexure V**

**Annexure V: Royal Kasho**

The Royal Assent is hereby granted on the submission for the deliberation on Public Accounts Committee's report on Financial Audit Report of Royal Audit Authority (RAA), and Implementation Status of the 10<sup>th</sup> Session on 19<sup>th</sup> and 20<sup>th</sup> of June 2018. Submission made on the presentation of the State of the Nation by the Prime Minister on 28<sup>th</sup> of June 2018 is also hereby granted the Royal Assent. Granted on the 2<sup>nd</sup> Day of the 4<sup>th</sup> Month of the Earth Male Dog Year.

**DRUK GYALPO**

**Annexure VI****Annexure VI: Voting on Deliberation on the Public Accounts Committee's Review of Performance Audit Reports****Date: 20/06/18****Time: 1:23:50 PM****Voting: Passed: Yes: 65 Abstain: 1 No: 0 Total present: 66  
Seats: 107**

1.	Lhatu	Delegate	Yes
2.	Dechen Zangmo	Delegate	Yes
3.	Tshering Tobgay	Delegate	Yes
4.	Madan Kumar Chhetri	Delegate	Yes
5.	Yeshey Dorji	Delegate	Yes
6.	Zanglay Drukpa	Delegate	Yes
7.	Khandu Wangchuk	Delegate	Yes
8.	Dina Nath Dungyel	Delegate	Yes
9.	Yeshey Zimba	Delegate	Yes
10.	Wangdi Norbu	Delegate	Yes
11.	Pema Gyamtsho	Delegate	Yes
12.	Norbu Wangchuk	Delegate	Yes
13.	Dorji Wangdi	Delegate	Yes
14.	Lhaki Dolma	Delegate	Yes
15.	Kesang C Dorji	Delegate	Yes
16.	Nyeema Sangay Tshempo	Delegate	Yes
17.	Karma Tenzin	Delegate	Yes

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18.	Ritu Raj Chhetri	Delegate	Yes
19.	Nidup Zangpo	Delegate	Yes
20.	Choining Dorji	Delegate	Yes
21.	Sangay Dorji	Delegate	Yes
22.	Dophu Dukpa	Delegate	Yes
23.	Pema Drukpa	Delegate	Yes
24.	Anand Rai	Delegate	Yes
25.	Karma Tshering	Delegate	Yes
26.	Mengbo Dukpa	Delegate	Yes
27.	Kuenga	Delegate	Yes
28.	Tashi Dorji	Delegate	Yes
29.	Phuntsho Rapten	Delegate	Yes
30.	Sonam Dondup Dorji	Delegate	Yes
31.	Chimi Dorji	Delegate	Yes
32.	Gopal Gurung	Delegate	Yes
33.	Dawa Gyeltshen	Delegate	Yes
34.	Tek Bdr Subba	Delegate	Yes
35.	Tandin Wangchuk	Delegate	Yes
36.	Tshering	Delegate	Yes
37.	Karma Dorji	Delegate	Yes
38.	Pelzang Wangchuk	Delegate	Yes
39.	Rinzin Dorji(P/ling)	Delegate	Yes
40.	Dupthob	Delegate	Yes

41.	Dorji Khandu	Delegate	Yes
42.	Lekey Dorji	Delegate	Yes
43.	Choida Jamtsho	Delegate	Yes
44.	Yogesh Tamang	Delegate	Yes
45.	Dorji Choden	Delegate	Yes
46.	Tashi Samdrup	Delegate	Yes
47.	Rinzin Jamtsho	Delegate	Yes
48.	Tshewang Jurmi	Delegate	Yes
49.	Ugyen Wangdi	Delegate	Yes
50.	Karma Gyeltshen	Delegate	Yes
51.	Ugyen Namgay	Delegate	Yes
52.	Karma Rangdol	Delegate	Yes
53.	Pema Dakpa	Delegate	Yes
54.	Tashi Wangyal	Delegate	Yes
55.	Damcho Dorji	Delegate	Yes
56.	Rinzin Dorje	Delegate	Yes
57.	Tashi Wangmo	Delegate	Yes
58.	Namgay Dorji	Delegate	Yes
59.	Sonam Pelzom	Delegate	Abstain
60.	Ugyen Tshering	Delegate	Yes
61.	Tshewang Rinzin	Delegate	Yes
62.	Surjaman Thapa	Delegate	Yes
63.	Dhan Kumar Sunwar	Delegate	Yes

64.	Tirtha Man Rai	Delegate	Yes
65.	Kinley Om	Delegate	Yes
66.	Novin Darlami	Delegate	Yes

**Annexure VII****Annexure VII: Interim Budget Report for 2018-19 by the Finance Committee****Background**

As per Article 14(8) of the Constitution of the Kingdom of Bhutan and section 47 of the Public Finance (Amendment) Act of Bhutan 2012, On 18<sup>th</sup> June 2018, the Minister for Finance presented the Interim Budget for Financial Year 2018-19, Budget Appropriation Bill 2018-19 amounting to Nu. 43,560.682 million, Supplementary Budget Appropriation Bill 2017-18 amounting to Nu. 61,481.827 million, and Annual Financial Statements 2016-17 for endorsement by the 11<sup>th</sup> Session of the Second Parliament.

The Minister informed the House that the Interim Budget is to allocate financial resources for:

- Recurrent expenditure.
- Implementation of 11<sup>th</sup> plan development activities that will spill.
- over into Financial Year 2018-2019.
- Implementation of critical regular activities to ensure continued delivery of public services as mandated by law.
- Debt servicing/on-lending.

The Minister informed the House that the Interim Budget was prepared following normal budgeting procedures and emphasized that it does not include new development activities. It was further clarified that the budget is titled “Interim” for it will be the responsibility of the Third Elected Government to change and implement it as part of the 1st Financial Year of the 12th Five Year Plan.

The House endorsed the budget documents comprising, Interim Budget

for 2018-19 Financial Year, Budget Appropriation Bill 2018-19, Supplementary Budget Appropriation Bill 2017-18, and Annual Financial Statements 2016-17 as Money Bill.

The House forwarded the Money Bill to Finance Committee in accordance to section 240 of National Assembly (Amendment) Act 2014.

## **Review and Analysis**

The Committee particularly focused on Interim Budget for Financial Year 2018-19 whilst other financial documents were also scrutinized. This has been done so because the provision of Interim Budget is different from the existing practices.

### **1. Budgeting for a unique year**

It is an established practice that the sitting parliament passes the budget for a Financial Year in summer session. The Committee, however, underscored the fact that 2018-19 Financial Year is a special year. Firstly, it marks the successful completion of the tenure of the second elected Government on 2<sup>nd</sup> August, 2018. Secondly, it will witness the institution of the third elected Government sometime in November, 2018. Thirdly, it coincides with the First Year of the 12<sup>th</sup> FYP. Lastly it is the last session of the Second Parliament.

Recognizing the above mentioned reasons, the Government has proposed an Interim Budget for 2018-2019 Financial Year to ensure continued provision of resources for the following.

- Recurrent expenditure
- Undisrupted implementation of 11<sup>th</sup> plan development activities that will spill over into 2018-2019 Financial Year
- Implementation of critical regular activities to ensure continued delivery of public services as mandated by law

- Debt servicing/on-lending

Upon close examination, the Committee found that the preparation of the Interim Budget by MOF followed the normal consultation process like any annual budget proposal submitted in the National Assembly.

## **2. Deletion of development activities**

The Committee found out that discussions took place between the representatives from National Assembly and the Ministry of Finance on the deletion of some of the activities in the proposed Interim Budget. This resulted in the finalization of the Interim Budget that was presented by the Minister for Finance on 18<sup>th</sup> June, 2018.

The Committee has observed that the current budget for National Assembly Secretariat has been reduced by Nu.26.176 million from the proposed amount of Nu.160.716 million for the Financial Year 2018 – 2019. This will have impact on the administration of the Secretariat. Moreover, this is in line with Article 10 (16) of the Constitution of Kingdom of Bhutan which states “The Speaker shall preside over the proceedings of a Joint Sitting and the venue for the Joint Sitting of the Houses shall be at the Hall of the National Assembly” which requires the National Assembly Secretariat to support the activities and manage the Administrative affairs of the Joint Sitting of the Parliament.

**The Interim Budget has been finalized and presented in the following table.**

<b>SUMMARY OF AGENCY WISE CAPITAL BUDGET FOR SPILL OVER, CRITICAL REGULAR AND DONOR FUNDED ON-GOING ACTIVITIES FOR FY 2018-19</b>						
SI.NO	AGENCY	RGOB FUNDED ACTIVITIES		Loan Repayment/On-Lending	ON-GOING EXTERNAL FUNDED ACTIVITIES	TOTAL
		SPILL-OVER	CRITICAL REGULAR			
1	Ministries	2,433.454	2,102.148	3,713.216	4,314.209	12,563.027
2	Judiciary	17.000	-	-	20.000	37.000
3	Constitutional Bodies	63.120	58.471	-	60.757	182.348
4	Autonomous Agencies	190.979	181.071	-	848.060	1,220.110
5	Dzongkhags	174.403	2.000	-	278.927	455.330
6	Gewogs	4.600	-	-	-	4.600
7	Thromdes	23.100	-	-	-	23.100
TOTAL		2,906.656	2,343.690	3,713.216	5,521.953	14,485.515

### **3. Authentication of spillover works**

The Ministry of Finance confirmed that the spillover works were those submitted by the implementing agencies. The Committee was further informed that the ministry had cross-checked and ensured the activities were on-going projects under current Donor and RGoB financing.

#### **4. Issue of Half yearly or Annual budget**

The Committee discussed on the pros and cons of Half Yearly and Annual Budget. The practical problems of half yearly budget are;

- a. Inadequacy of budget to run the government and to deliver public service if it takes longer time to form the Government due to unforeseen circumstances.
- b. Usually budget planning is on annual basis.
- c. Half yearly budget will create unwarranted implementation problems.
- d. Will disrupt the flow of fund from donors.

20 activities proposed for deletion was agreed during the sub-Committee meeting in the presence of Members from Governing Party, Opposition and Ministry of Finance. However, only Bhutan Economic Stabilization Fund and Crop and Livestock Endowment Fund were retained in the Interim Budget.

The Committee confirmed from the Ministry of Finance that the spillover works as reflected in the Interim Budget were on-going activities to be carried over in 2018-19 FY. Most of the spillover works are large projects under committed donor funding.

#### **5. Issue of setting unique precedence**

The issue of setting unique precedence in preparing budget by sitting Government for the Financial Year that is under the next Government was debated. This issue emerged as the tenure of the Government will end on 2<sup>nd</sup> August, 2018 and the first year of the 12<sup>th</sup> Five Year Plan will begin in July, 2018. Since the next Government will be constituted only in November, there will be a time gap of about 6 months for the next Government to approve budget for the Financial Year 2018-2019.

The Committee supports the Finance Ministry's Interim Budget

proposal for the purpose of smooth running of the governmental institutions, and to continue the implementation of ongoing development activities, such as provision of essential public services as provided by law, and to service the loans.

Additionally, the Committee took into account the following considerations as reported by Ministry of Finance.

- a) More harm than not having the Interim Budget provision.
- b) No new development activities budgeted in the Interim Budget.
- c) Activities incorporated in the Interim Budget are recurrent budget including for essential public services, debt servicing and on-going development activities that will in anyway spill over 2018-19 Financial Year.
- d) The new Government will have the responsibility to amend the Interim Budget.

## **6. Submission for endorsement**

Given the unique features of the Financial Year 2018-2019, the Committee concluded that the Interim Budget for the Financial Year as proposed by the Government is absolutely justified as it would ensure economic stability and smooth transition in its true sense. Given this justification, the Committee submits the following money bills for endorsement by the House:

- The Interim Budget 2018-19 with Budget Appropriation Bill (2018-19) amounting to Nu. 43,560.682 million.
- The Supplementary Budget Appropriation Bill 2017-18 amounting to Nu. 61,481.827 million.
- The Annual Financial Statements (2016-17).

## **7. Recommendation:**

The Committee recommends the reinstatement of the proposed original current budget of Nu. 160.716 million of National Assembly

Secretariat for the Financial Year 2018 – 2019

**8. Conclusion:**

The Committee remains mindful of the efforts and cooperation provided by all budgeting agencies, particularly the Ministry of Finance. The Committee is of the view that the approval of this important Interim Budget will indeed set a tone for the future governments given that such situation will arise from time to time.

We thank the Ministry of Finance for providing all necessary assistance during the course of review of the Interim Budget.

**Annexure VIII****Annexure VIII: Voting on Supplementary Budget for Fiscal Year 2017-2018****Date: 6/22/18****Time: 12:12:14 PM****Voting: Passed: Yes: 44 Abstain: 0 No: 1 Total present: 45  
Seats: 107**

1.	Dechen Zangmo	Delegate	Yes
2.	Tshering Tobgay	Delegate	Yes
3.	Madan Kumar Chhetri	Delegate	Yes
4.	Yeshey Dorji	Delegate	Yes
5.	Zanglay Drukpa	Delegate	Yes
6.	Khandu Wangchuk	Delegate	Yes
7.	Dina Nath Dungyel	Delegate	Yes
8.	Yeshey Zimba	Delegate	Yes
9.	Wangdi Norbu	Delegate	Yes
10.	Jigme Wangchuk(Radhi)	Delegate	Yes
11.	Pema Gyamtsho	Delegate	Yes
12.	Norbu Wangchuk	Delegate	Yes
13.	Dorji Wangdi	Delegate	No
14.	Nyeema Sangay Tshempo	Delegate	Yes
15.	Karma Tenzin	Delegate	Yes
16.	Ritu Raj Chhetri	Delegate	Yes
17.	Nidup Zangpo	Delegate	Yes
18.	Dophu Dukpa	Delegate	Yes
19.	Pema Drukpa	Delegate	Yes
20.	Mengbo Dukpa	Delegate	Yes

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21.	Kuenga	Delegate	Yes
22.	Sonam Dondup Dorji	Delegate	Yes
23.	Chimi Dorji	Delegate	Yes
24.	Gopal Gurung	Delegate	Yes
25.	Dawa Gyeltshen	Delegate	Yes
26.	Tek Bdr Subba	Delegate	Yes
27.	Tandin Wangchuk	Delegate	Yes
28.	Tshering	Delegate	Yes
29.	Karma Dorji	Delegate	Yes
30.	Pelzang Wangchuk	Delegate	Yes
31.	Rinzin Dorji(P/ling)	Delegate	Yes
32.	Dupthob	Delegate	Yes
33.	Lekey Dorji	Delegate	Yes
34.	Choida Jamtsho	Delegate	Yes
35.	Yogesh Tamang	Delegate	Yes
36.	Kezang Wangmo	Delegate	Yes
37.	Dorji Choden	Delegate	Yes
38.	Rinzin Jamtsho	Delegate	Yes
39.	Tshewang Jurmi	Delegate	Yes
40.	Ugyen Wangdi	Delegate	Yes
41.	Karma Rangdol	Delegate	Yes
42.	Rinzin Dorje	Delegate	Yes
43.	Namgay Dorji	Delegate	Yes
44.	Kinley Om	Delegate	Yes
45.	Novin Darlami	Delegate	Yes

**Annexure IX****Annexure IX: Voting on Interim Budget for Fiscal Year 2018-2019****Date: 22/6/2018****Time: 12:21:35 PM****Voting: Passed: Yes: 45 Abstain: 0 No: 0 Total present: 45  
Seats: 107**

1.	Dechen Zangmo	Delegate	Yes
2.	Tshering Tobgay	Delegate	Yes
3.	Madan Kumar Chhetri	Delegate	Yes
4.	Yeshey Dorji	Delegate	Yes
5.	Zanglay Drukpa	Delegate	Yes
6.	Khandu Wangchuk	Delegate	Yes
7.	Dina Nath Dungyel	Delegate	Yes
8.	Yeshey Zimba	Delegate	Yes
9.	Wangdi Norbu	Delegate	Yes
10.	Jigme Wangchuk(Radhi)	Delegate	Yes
11.	Pema Gyamtsho	Delegate	Yes
12.	Norbu Wangchuk	Delegate	Yes
13.	Dorji Wangdi	Delegate	Yes
14.	Nyeema Sangay Tshempo	Delegate	Yes
15.	Karma Tenzin	Delegate	Yes
16.	Ritu Raj Chhetri	Delegate	Yes
17.	Nidup Zangpo	Delegate	Yes
18.	Dophu Dukpa	Delegate	Yes
19.	Pema Drukpa	Delegate	Yes
20.	Mengbo Dukpa	Delegate	Yes
21.	Kuenga	Delegate	Yes

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22.	Sonam Dondup Dorji	Delegate	Yes
23.	Chimi Dorji	Delegate	Yes
24.	Gopal Gurung	Delegate	Yes
25.	Dawa Gyeltshen	Delegate	Yes
26.	Tek Bdr Subba	Delegate	Yes
27.	Tandin Wangchuk	Delegate	Yes
28.	Tshering	Delegate	Yes
29.	Karma Dorji	Delegate	Yes
30.	Pelzang Wangchuk	Delegate	Yes
31.	Rinzin Dorji(P/ling)	Delegate	Yes
32.	Dupthob	Delegate	Yes
33.	Lekey Dorji	Delegate	Yes
34.	Choida Jamtsho	Delegate	Yes
35.	Yogesh Tamang	Delegate	Yes
36.	Kezang Wangmo	Delegate	Yes
37.	Dorji Choden	Delegate	Yes
38.	Rinzin Jamtsho	Delegate	Yes
39.	Tshewang Jurmi	Delegate	Yes
40.	Ugyen Wangdi	Delegate	Yes
41.	Karma Rangdol	Delegate	Yes
42.	Rinzin Dorje	Delegate	Yes
43.	Namgay Dorji	Delegate	Yes
44.	Kinley Om	Delegate	Yes
45.	Novin Darlami	Delegate	Yes

**Annexure X****Annexure X: Voting on the Annual Anti-Corruption report  
2017****Date: 25/06/2018****1:52:27 PM****Voting: Passed: Yes: 34 Abstain: 1 No: 0 Total present: 35  
Seats: 107**

1.	Dechen Zangmo	Delegate	Yes
2.	Madan Kumar Chhetri	Delegate	Yes
3.	Yeshey Dorji	Delegate	Yes
4.	Khandu Wangchuk	Delegate	Yes
5.	Dina Nath Dungyel	Delegate	Yes
6.	Wangdi Norbu	Delegate	Yes
7.	Jigme Wangchuk(Radhi)	Delegate	Yes
8.	Pema Gyamtsho	Delegate	Yes
9.	Dorji Wangdi	Delegate	Yes
10.	Karma Tenzin	Delegate	Abstain
11.	Ritu Raj Chhetri	Delegate	Yes
12.	Nidup Zangpo	Delegate	Yes
13.	Dophu Dukpa	Delegate	Yes
14.	Pema Drukpa	Delegate	Yes
15.	Mengbo Dukpa	Delegate	Yes
16.	Kuenga	Delegate	Yes
17.	Sonam Dondup Dorji	Delegate	Yes
18.	Gopal Gurung	Delegate	Yes
19.	Dawa Gyeltshen	Delegate	Yes
20.	Tek Bdr Subba	Delegate	Yes
21.	Tshering	Delegate	Yes

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22.	Karma Dorji	Delegate	Yes
23.	Pelzang Wangchuk	Delegate	Yes
24.	Rinzin Dorji(P/ling)	Delegate	Yes
25.	Choida Jamtsho	Delegate	Yes
26.	Yogesh Tamang	Delegate	Yes
27.	Dorji Choden	Delegate	Yes
28.	Rinzin Jamtsho	Delegate	Yes
29.	Tshewang Jurmi	Delegate	Yes
30.	Ugyen Wangdi	Delegate	Yes
31.	Karma Rangdol	Delegate	Yes
32.	Rinzin Dorje	Delegate	Yes
33.	Namgay Dorji	Delegate	Yes
34.	Kinley Om	Delegate	Yes
35.	Novin Darlami	Delegate	Yes

## Annexure XI

### **Annexure XI: Address by Tshogpon Jigme Zangpo at the Closing Ceremony of the Eleventh Session of Second Parliament**

1. On behalf of the Parliament, it is my pleasure to humbly welcome His Majesty the Druk Gyalpo for gracing the opening and closing ceremony from First till the Eleventh Session, leaving aside numerous royal engagements. His Majesty has always guided the Parliament with wise counsel. Therefore, the Members of the Parliament and I would like to express our deepest gratitude and reverence to His Majesty the Druk Gyalpo.
2. I would also like to welcome Her Majesty the Gyaltshen, Members of the Royal Family, representatives of the Central Monastic Body, armed forces, senior government officials and foreign dignitaries who had come to witness this occasion.
3. Our benign His Majesty has been working tirelessly for the welfare of our people, strengthening national sovereignty, security, economic development in the country. His Majesty visited all 20 Dzongkhags and 205 Gewogs, personally met with the people of remote communities, and granted land *kidu* graciously to our people in needs. His Majesty has also granted Chhoetse Penlop scholarships to many Bhutanese students for continuing their education as well as enrolled numerous students as *Gyalpoi Tozey*. His Majesty has been granting *kidu* to many needy victims affected by natural calamities across the country.
4. His Majesty, as the upholder of the Chhoe-sid, has always been supporting *Dratshangs*, and other religious bodies across the nation. In order to preserve our national monuments to its former glory, His Majesty has commanded the reconstruction of Wangdue Phodrang

Dzong, Paro Drugyel Dzong, besides supporting various constructions of lhakhangs, goendeys, chortens, and also providing noble guidance for conservation of our sacred religious heritages in the country. Therefore, the Parliament would like to express our utmost gratitude to His Majesty the Druk Gyalpo.

5. To ensure proper judicial proceedings in the country and timely delivery of justice services to the people, His Majesty has strengthened the judicial branch and constitutional offices in the country. The establishment of Royal Institute for Governance and Strategic Studies (RIGSS) has immensely benefited the Members of Parliament, civil and public servants, Armed Forces and private entities through flagship leadership trainings. The establishment of Jigme Singye Wangchuck School of Law (JSWSL) will also greatly benefit our country.
6. His Majesty, as the Supreme Commander of the Armed Forces, has always visited and met with the armed forces and their families, granted *kidu* to armed forces personnel in need. His Majesty has introduced *Desuung* Program for the welfare of the community and security of the nation. With the aim to gain exposure and provide experience to our armed forces, His Majesty has sent many armed forces officers to the UN Peacekeeping missions. The Parliament offers its unwavering gratitude to His Majesty for such noble initiatives.
7. To enhance our national sovereignty, peace and security, His Majesty has paid official visits to foreign countries, and met with foreign leaders thereby deepening mutual cooperation and strengthening bilateral ties with other countries. His Majesty has paid official visit to Thailand, Japan, Singapore, India and Bangladesh.

His Majesty's Royal visits culminated to maiden state and official

visits to Bhutan by the Princess of Thailand, Princess of Japan, Duke and Duchess of Cambridge (England), President and Prime Minister of People's Republic of India, and the President and Prime Minister of Bangladesh. Such fruitful achievements are all attributed to the wise and visionary leadership of His Majesty. Many leaders from foreign countries look forward to visit our country, mainly because of our His Majesty's wise and exemplary leadership and our noble vision of Gross National Happiness (GNH) promulgated by His Majesty the Fourth Druk Gyalpo. Therefore, the Parliament would like to express utmost gratitude to His Majesty the Druk Gyalpo.

8. Under the wise counsel of His Majesty, the Royal Monetary Authority (RMA) and financial institutions have reduced lending rates and further improved financial services to our people in need of credits. Hence, the Parliament would like to express deepest gratitude to His Majesty the Druk Gyalpo.
9. Under the wise leadership and guidance of His Majesty the Druk Gyalpo, Civil Society Organizations (CSOs) continue to initiate numerous activities. One such historic event was planting of 49,672 tree saplings at Kuenselphodrang on 2<sup>nd</sup> June, 2015 which entered in the *Guinness Book of World Records*. Similarly, four Royal Flower Exhibitions were successfully organized which are truly historic due to the noble blessings from His Majesty. Thus, the Parliament would like to offer utmost gratitude to His Majesty the Druk Gyalpo.
10. His Holiness the Je Khenpo has presided over numerous *kurims*, prayers, and Annual *Moenlam Chenmo* in all 20 Dzongkhags for eternal peace, wellbeing of the Bhutanese people and for global peace and security. His Holiness has also granted seed money to raise funds for conducting numerous religious activities across the

nation. His Holiness also granted several ambulances to the ministry of health. Therefore, the Parliament would like to offer our deepest gratitude to His Holiness the Je Khenpo.

11. Under the dynamic leadership of His Majesty the Druk Gyalpo, I had the opportunity to preside over 11 parliamentary sessions within these five years.
  - a. A total of 235 days of parliament sitting including 62 days of Joint Sitting have been held.
  - b. 11th FYP with total outlay of Nu.221 billion approved by Parliament.
  - c. 26 bills have been deliberated, out of which, 23 bills have been passed during the Second Parliament.
  - d. 14 conventions were deliberated, out of which, 11 conventions were ratified.
  - e. A total of 11 motions, 483 questions and 174 local government petitions have been deliberated and referred to relevant government agencies.
  
12. Guided by noble advices of the His Majesty the Druk Gyalpo, successive hereditary monarchs and constitutional provisions, Lyonchhen Dasho Tshering Tobgay has made official visits to various countries and international fora to reaffirm our political commitments and strengthen our diplomatic ties with other nations. The Prime Minister also spoke on various platforms on the topics such as Gross National Happiness, Bhutanese culture & social conditions, Bhutanese democracy, environment and business opportunities in Bhutan. Lyonchhen represented our country and uplifted the image of Bhutan in the international arena, such as through popular TED talk.

At home, Lyonchhen visited all 20 Dzongkhags at least five times and all 205 Gewogs to monitor development plans and to hold public review of 11 FYP with the people. Under the strategic direction of Lyonchhen, all Cabinet Ministers, Government Secretaries, Director Generals, Directors, Dzongdas, Gups, civil and public servants have worked vigorously through enhanced decentralization. Thus, the foundation of Good Governance has been strengthened and the results of the 11<sup>th</sup> Five Year Plan especially in the areas of economic development, agricultural produce, basic amenities, technology, health and education have seen notable achievements than expected.

The Government of India has always been supportive in providing huge developmental assistance to Bhutan. Similarly, Government of Japan, European Union (EU) and other international agencies have also provided assistance during the 11<sup>th</sup> FYP, and assured continuous assistance in the 12<sup>th</sup> FYP. All these donor commitments attribute to His Majesty's wise leadership, continuous guidance and noble advices of His Majesty the Druk Gyalpo, and thus, the Parliament would like to express our deep gratitude to His Majesty for noble support and guidance.

13. The Constitutional Offices, Civil Society Organizations (CSOs) and media fraternity has carried out various initiatives to provide oversight for the welfare of country and the people. Similarly, the armed forces have served selflessly day and night to ensure security of our nation. Thus, the Parliament would like to extend appreciation and thanks to all armed forces personnel for their selfless duties.
14. As Members of the Second Parliament, we are immensely fortunate because:
  - a. Firstly, our term coincided with the Birth Year of Guru Rinpoche.

- b. Secondly, our term also coincided with the 400 years of the arrival of our Spiritual Leader, Zhabdrung Ngawang Namgyel to our country.
  - c. Thirdly, we got the rare opportunity to commemorate the 60<sup>th</sup> Birth Anniversary of His Majesty the Fourth Druk Gyalpo Jigme Singye Wangchuck and pay our humble tribute and respect.
  - d. Fourthly, we could also celebrate 12 years of His Majesty's accession as the Chhoetse Penlop and Ten Years of glorious reign of His Majesty the Druk Gyalpo on the Golden Throne.
  - e. Fifthly, the people celebrated the Royal Birth of His Royal Highness the Gyalsey Jigme Namgyel Wangchuck.
15. The people of Mongar Constituency bestowed full trust and confidence on me, and elected me as their representative to the Second Parliament. Subsequently, with full support from Members of the National Assembly, I was fortunate to have been elected as the Speaker. Above all, it was indeed an honour for being entrusted by His Majesty the Druk Gyalpo and receiving Dakyen as the Speaker, which I shall cherish as the most unforgettable moment in my personal life.
16. I would like to state that I have served with my fullest dedication and due allegiance always keeping in mind His Majesty's words of wisdom and wise counsel. I upheld my responsibilities as dear as my own life, and kept aside all my personal affairs while presiding over the assembly and joint sessions. I also got the opportunity to lead our parliamentary delegations to Association of SAARC Speakers and Parliamentarians (ASSP), Asian Parliamentary Assembly (APA), Inter-Parliamentary Union (IPU), European Parliament (EP), AFPPD & related meetings, where we shared ideas and parliamentary best

practices, and further strengthened friendship and collaboration with other parliaments, and thus, I am extremely proud with such fruitful achievements.

I take this opportunity to apologize all Members of the House, if ever I have not pleased some of the Members during the time of discharging my duties. I seek your forgiveness.

17. I would like to state that it has been 45 long years of my service as a civil servant and as parliamentarian. However, for a simple civil servant like me, who is limited by the skills and capability for holding such responsibility of high public office, I am extremely pleased to say that the Government and His Majesty the Druk Gyalpo had entrusted me, and that I have been able to carry out all my duties successfully. Today, as my term comes to an end, I affirm my continued service to our society as a true citizen till the very end of my life.

18. Under the benevolent leadership of His Majesty the Druk Gyalpo, all Members of the Parliament have collectively served under the same roof - supporting each other including the Ruling and Opposition Members, Committee Members and the Chairperson and the Members of the National Council of Bhutan. The Members have always been selfless to prioritize national interests before personal interests until today. All deliberations were held through proper check and balance, and thus achieved successful outcomes. Moreover, under the grace of His Majesty the Druk Gyalpo, prayers from the monastic bodies, and collective merits of the Bhutanese people, the 11<sup>th</sup> Session has concluded very successfully. I feel extremely proud and I would like to extend my heartfelt appreciation to all Members of Parliament for their support and cooperation.

Some of our Members would be aspiring for the next election, while

some Members will be retiring after the second parliament. In this regard, I would like to convey my best wishes to all Members for successful endeavors in the times to come.

19. The staff of the Department of National Properties (DNP) fully supported the National Assembly Secretariat in the conduct of Parliament sessions. Also, the Royal Bhutan Police (RBP) security personnel have provided entire security cover throughout the sessions. The media was actively involved in broadcasting the sessions and bringing it to the people. Additionally, the staff of the National Assembly Secretariat always carried out smooth proceedings of assembly sessions thus far. Therefore, the entire Members of Parliament would like to thank all staff for their enormous coordination, support and dedication.
20. Today, I would like to submit that it is truly unprecedented in the history of Bhutan to witness and serve under the dynamic leadership of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo and HRH the Gyalsey Jigme Namgyel Wangchuck in a single period. The Bhutanese people cannot be more fortunate than today, which remain as an extraordinary symbol for the Bhutanese people. On behalf of people of Bhutan, I would like to offer prayers for the good health and long life of His Majesty the Druk Gyalpo, His Majesty the Fourth Druk Gyalpo, His Royal Highness the Gyalsey, Members of the Royal Family, perpetuity of the Wangchuck dynasty, eternal peace & harmony of the Bhutanese people and everlasting sovereignty of our country.

**TASHI DELEK**

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## **Annexure XII**

### **Annexure XII: List of Members present during the Eleventh Session of the Second Parliament**

1. Hon'ble Speaker Jigme Zangpo, Mongar constituency, Mongar Dzongkhag
2. Hon'ble Prime Minister, Tshering Tobgay, Sombaykha constituency, Haa Dzongkhag
3. Hon'ble Minister for Foreign Affairs Lyonpo Damcho Dorji, Goenkhatoe- Laya constituency, Gasa Dzongkhag
4. Hon'ble Minister for Works and Human Settlement, Lyonpo Dorji Choden, Thrimshing constituency, Trashigang Dzongkhag
5. Hon'ble Minister for Labour and Human Resources, Lyonpo Ngeema Sangay Tshempo, Lhamoizingkha-Tashiding constituency, Dagana Dzongkhag
6. Hon'ble Minister for Health, Lyonpo Tandin Wangchuk, Athang-Thedtsho constituency, Wangdiphodrang Dzongkhag
7. Hon'ble Minister for Information and Communication, Lyonpo Dina Nath Dungyel, Phuentshohgelri-Samtse constituency, Samtse Dzongkhag
8. Hon'ble Minister for Finance, Lyonpo Namgay Dorji, Draagteng-Langthil constituency, Trongsa Dzongkhag
9. Hon'ble Minister for Education, Lyonpo Norbu Wangchuk, Kanglung-Samkhar-Udorong constituency, Trashigang Dzongkhag
10. Hon'ble Minister for Agriculture and Forests, Lyonpo Yeshey Dorji, Maenbi- Tsaenkhar constituency, Lhuntse Dzongkhag
11. Hon'ble Minister for Home & Cultural Affairs, Lyonpo Dawa Gyaltsen, Bongo-Chapcha constituency, Chukha Dzongkhag
12. Hon'ble Minister for Economic Affairs Lyonpo Lekey Dorji, Bardo-Trong constituency, Zhemgang Dzongkhag

13. Hon'ble Leader of the Opposition Dr. Pema Gyamtsho, Chhoekhor-Tang constituency, Bumthang Dzongkhag
14. Hon'ble Deputy Speaker Chimi Dorji, Lingmu-Toedwang Constituency, Punakha Dzongkhag
15. Hon'ble Member Tshewang Jurmi, Chhumig-Ura constituency, Bumthang Dzongkhag
16. Hon'ble Member Rinzin Dorji, Phuentshogling constituency, Chhukha Dzongkhag
17. Hon'ble Member Karma Dorji, Drukjeygang-Tseza constituency, Dagana Dzongkhag
18. Hon'ble Member Pema Drukpa, Khamaed-Lunana constituency, Gasa Dzongkhag
19. Hon'ble Kinley Om, Bji-Kar-Tshog-Uesu constituency, Haa Dzongkhag
20. Hon'ble Member Karma Rangdol, Gangzur-Minjei constituency, Lhuentse Dzongkhag
21. Hon'ble Member Ugyen Wangdi, Dramedtse-Ngatshang constituency, Mongar Dzongkhag
22. Hon'ble Member Rinzin Jamtsho, Kengkhar-Weringla constituency, Mongar Dzongkhag
23. Hon'ble Member Kezang Wangmo, Dokar-Sharpa constituency, Paro Dzongkhag
24. Hon'ble Member Khandu Wangchuk, Lamgong-Wangchang constituency, Paro Dzongkhag
25. Hon'ble Member Zangley Dukpa, Khar-Yurung constituency, Pemagatshel Dzongkhag
26. Hon'ble Member Choida Jamtsho, Nganglam constituency, Pemagatshel Dzongkhag
27. Hon'ble Member Dechen Zangmo, Nanong-Shumar constituency,

Pemagatshel Dzongkhag

28. Hon'ble Member Dophu Dukpa, Kabisa–Talog constituency, Punakha Dzongkhag
29. Hon'ble Member Pelzang Wangchuk, Jomotshangkha-Martshala constituency, Samdrup Jongkhar Dzongkhag
30. Hon'bl' Member Mingbo Dukpa Dewathang Gomdar constituency, Samdrup Jongkhar Dzongkhag
31. Hon'ble Member Tek Bahadur Subba, Dophuchen-Tading constituency, Samtse Dzongkhag
32. Hon'ble Member Ritu Raj Chhetri, Tashichhoeling constituency, Samtse Dzongkhag
33. Hon'ble Member Madan Kumar Chhetri, Ugyentse-Yoeseltse constituency, Samtse Dzongkhag
34. Hon'ble Member Rinzin Dorji, Shompangkha constituency, Sarpang Dzongkhag
35. Hon'ble Member Gopal Gurung, Gelegphu constituency, Sarpang Dzongkhag
36. Hon'ble Member Tshering, North Thimphu constituency, Thimphu Dzongkhag
37. Hon'ble Member Yeshey Zimba, South Thimphu constituency, Thimphu Dzongkhag
38. Hon'ble Member Wangdi Norbu, Bartsham-Shongphu constituency, Trashigang Dzongkhag
39. Hon'ble Member Jigme Wangchuk, Radhi- Sagteng, Trashigang Dzongkhag
40. Hon'ble Member Karma Tenzin, Wamrong constituency, Trashigang Dzongkhag
41. Hon'ble Member Dupthob, Boomdeling-Jamkhar constituency, Trashiyangtse Dzongkhag

42. Hon'ble Member Sonam Dondup Dorjee, Khamdang-Ramjar constituency, Trashiyangtse Dzongkhag
43. Hon'ble Member Nidup Zangpo, Nubi-Tangsibji constituency, Trongsa Dzongkhag
44. Hon'ble Member Yogesh Tamang, Kilkhorhang-Mendrelgang constituency, Tsirang Dzongkhag
45. Hon'ble Member Novin Darlami, Sergithang-Tsirang Toed constituency, Tsirang Dzongkhag
46. Hon'ble Member Kuenga, Nyishog- Saephu constituency, Trongsa Dzongkhag
47. Hon'ble Member Dorji Wangdi, Panbang constituency, Zhemgang Dzongkhag