

I. OPENING CEREMONY

The 2nd Session of the Second Parliament commenced on an auspicious day on the 21st Day of the 11th Month of the Water Female Snake Year corresponding to January 22, 2014. His Majesty the Druk Gyalpo was received with elaborate Chipdrel and Serdrang ceremony to the Parliament Hall, followed by the traditional *Zhugdrel Phuensum Tshogpai* ceremony.

II. MOTION OF THANKS

Prime Minister Lyonchhen Tshering Tobgay

Prime Minister Lyonchhen Tshering Tobgay expressed his deep gratitude to His Majesty the Druk Gyalpo for gracing the 2nd Session of the Second Parliament. He said that His Majesty's presence at the opening session of the parliament was a testimony of His Majesty's solicitous disposition to the country, people and the Parliament. He also thanked the Members of the Royal Family for gracing the opening ceremony.

He expressed his deep appreciation to His Majesty the Fourth Druk Gyalpo who personally led the armed forces at the risk of his own life, against the militants from India which had posed a serious security threat to our country a decade ago. Under his singular leadership the security issues were not only resolved but further strengthened.

He also expressed his gratitude to His Majesty the Druk Gyalpo and Her Majesty the Gyaltshen for their state visit to India which has further strengthened the existing relations between the two countries. On behalf of the Government of Bhutan, the Prime Minister also thanked the Government of India for inviting Their Majesties and according an excellent hospitality and reception to Their Majesties while in India.

On the December 15, 2013, the country was hit by an unprecedented windstorm which affected a lot of people. During such time, His Majesty not only provided immediate support to the victims by personally visiting the affected sites but also commanded the Royal Bhutan Army and the Deseys for relief efforts in areas affected by the disaster.

The Prime Minister expressed gratitude to His Majesty the Druk Gyalpo for granting land Kidu of over 60,000 acres to 63,000 people and 711 acres to 2,000 people comprising 315 households under the resettlement programme besides land Kidu to 196 people who directly approached His Majesty the Druk Gyalpo.

Further, His Majesty granted education support to 3,500 children from humble families under the Gyalpoi Tozay Scheme that enabled these children to study from preprimary up to high school. He also reported that, 75 students who had received

scholarship to study abroad are back after completion of their studies. Currently 161 students are pursuing their education in eight countries under His Majesty's scholarship programme.

His Majesty also granted citizenship to 8,374 people and medical referral abroad to 95 people including children and old people. Further, in his magnanimous benevolence, His Majesty granted amnesty to 98 prisoners. The Prime Minister expressed his gratitude to His Majesty the Druk Gyalpo for granting Kidu to people from his own personal fund. He further expressed his appreciation to His Majesty for recognizing the services of the civil servants by granting medals and certificates to over 14,000 civil servants. Lastly, he reminded the people of Bhutan to keep in mind the Royal Command delivered at the 106th National Day address.

Finally, he assured that the government would endeavor to serve the people through consultation and coordination with loyalty and dedications, keeping in mind the aspirations of His Majesty the Druk Gyalpo.

Chairperson of the National Council Dasho Dr.Sonam Kinga

The Chairperson submitted that, if Bhutanese people had in mind the first objective of contributing to the national goal while undertaking any kind of work every small activity had the opportunity to bear tremendous results.

He expressed gratitude to His Majesty the Druk Gyalpo for his commands to prevent the constraints and problems of bigger countries from happening in a small country like Bhutan and also for reminding that Bhutan should strive to strengthen the sovereignty and security through a democracy devoid of corruption and a democracy that respects the rule of law. Bhutan should ensure unity and solidarity as one proud nation within the small population characterized by different ethnicity, religion and dialects.

He thanked His Majesty for commanding to solve and further strengthen the economic condition of the country. On behalf of the National Council and on his own behalf, he expressed special gratitude to His Majesty for assuming the lead role and providing wise guidance for the future benefit of the country.

He further urged the Bhutanese people to always keep in mind and follow the noble guidance of His Majesty for the future benefit of the country especially while drafting laws, reviewing policies, implementing developmental plans, undertaking business and agricultural works, religious activities or any other works.

Leader of Opposition, Dr. Pema Jamtsho

The Leader of the Opposition expressed his deepest gratitude to His Majesty the Druk Gyalpo for the continued peace and unity in the country. He also expressed his appreciation for the commencement of the 11th plan and implementation of the 100 Days pledge by the government and on the enhancement of foreign relations under the noble guidance of His Majesty the Druk Gyalpo. Further, he expressed his gratitude to His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen for deepening the existing relations between India and Bhutan with their recent state visit to India.

He assured that the Opposition Party would not engage in meaningless opposition but would work towards rendering appropriate reminders to the government and serve to fulfill the Royal aspirations of His Majesty. He said that the government and the opposition share equal responsibility to implement the 11th plan in order to strengthen the economy which is one of the biggest challenge faced by the country.

He expressed his hopes that the government would follow the existing policies and system in place for seeking funds from foreign countries and the government would explore new ways to establish hydro power projects despite the challenges. It was also hoped that the House would extensively deliberate and pass the Bills tabled in the current session for the benefit of the people and the country.

Lastly, on behalf of the Opposition Party prayers were offered for the long life and good health of His Majesty the Druk Gyalpo and Her Majesty the Gyaltsuen and for the happiness of all the people.

III. OPENING ADDRESS BY THE SPEAKER

The Speaker extended a warm welcome to His Majesty the Druk Gyalpo, Members of the Royal Family, Religious Bodies, International Dignitaries, Senior Government officials and the Members of Parliament to the Opening Ceremony.

He informed that the Session would be deliberating on the:

- 1) Right to Information Bill 2014;
- 2) Biosafety Bill of Bhutan 2014;
- 3) National Assembly (Amendment) Bill 2014;
- 4) Local Government (Amendment) Bill 2014

He informed that the follow up report on Tenancy Act of Kingdom of Bhutan, Entitlements of the Local Government Leaders, Report on Pay Revision by the Pay Commission and the National Assembly Rules of Procedures would also be tabled, discussed and adopted in this Session.

He said that, on the invitation of the Indian President, their Majesties the Druk Gyalpo and the Gyaltshen visited New Delhi, from January 6-10, 2014. He said that, the commitment of the Government of India and their continued support in our socio economic development and hydro-power development projects expressed during their Majesties' visit is testimony to the further deepening and strengthening of existing relations between India and Bhutan. For this, the Parliament expressed their sincere gratitude to His Majesty the Druk Gyalpo.

The Speaker on the behalf of the Parliament and on behalf of the Bhutanese people and on his own behalf expressed heartfelt appreciation to the people and the government of India for hosting their Majesties the Druk Gyalpo and Her Majesty the Gyaltshen, as the first State Guest in 10 years in the newly refurbished Guest Wing of the Rashtrapati Bhavan. He said that this was a matter of great pride and honour for all the Bhutanese people.

The Speaker informed the House that, on January 13, 2014, on an invitation from the Speaker of the Indian Parliament, a group of Parliamentarians visited the Indian Parliament. He expressed his gratitude to the Government of India for extending a very warm and grand reception to the delegation. Further, talks were also successfully held on the provision of support from the Parliament of India to the Bhutanese Parliament.

The Speaker also expressed deep appreciation to His Holiness the Je Khenpo for conducting *Moenlam Chenmo and Wang Lung* in different Dzongkhags for world peace, *Kurim* for the country and for the benefit of all sentient beings. Similarly, he also thanked His Eminence Lam Namkhai Nyingpo and Dzongsar Jamyang Khyentse for bestowing *Wang Lung Thri Sum* to the people and spreading the Buddhist Dharma.

He informed that as per the resolution of the previous Parliament, the Parliament of Bhutan participated in the 129th Inter-Parliamentary Union (IPU) Assembly and joined the IPU as its 163rd Member. The delegation also met with the Speaker of Swiss Parliament, Officials of the Swiss Development Cooperation, HELVETAS, Officials of Swiss Local Governments and the Swiss Red Cross. In an effort to strengthen the existing relations and cooperation between Bhutan and Switzerland, he said that meetings were fruitful and requests were made to the Swiss officials and the Parliamentarians for their continued good will and developmental support for Bhutan.

Similarly, the Speaker said that, a delegation from the Parliament also participated in the 7th Conference of the Association of the SAARC Speakers and Parliamentarians held in the Republic of Maldives. He informed that the 8th Conference of the Association of SAARC Speakers and Association was resolved to be convened in Sri-Lanka in 2014 and that the 9th Conference of the Association is scheduled to be convened in Bhutan in 2015 coinciding with the Birth Anniversary of His Majesty the Fourth Druk Gyalpo.

In conclusion, he offered his prayers for the successful conclusion of the Second Session of the Second Parliament with the blessings of the Triple Gem, the guardian deities, His Majesty the Druk Gyalpo, Members of the Royal Family and the collective merit of the Bhutanese people. He prayed for the long life and fruitful endeavors of His Majesty the Druk Gyalpo, Members of the Royal Family, propagators of Buddha Dharma and for peace, happiness and prosperity in the country.

(21st Day of the 11th Month of the Water Female Snake Year corresponding to January, 22, 2014)

IV. TRANSLATION OF THE ROYAL KASHO FOR THE DELIBERATION OF THE PERFORMANCE AUDIT REPORT IN THE JOINT SITTING OF THE PARLIAMENT

The Annual Audit Report was deliberated in the 1st Session of the 2nd Parliament after it was presented by the Public Accounts Committee. However, the Chairperson of the Public Accounts Committee moved the motion for approval to present the reports related to performance audit during the winter session. The approval was thus granted by the House and submitted to His Majesty the Druk Gyalpo. Therefore, Royal Assent is granted for deliberation on the Performance Audit Report in the Joint Sitting of the Parliament on January 23, 2014.

Granted on the 20th Day of the 11th Month of the Water Female Snake Year.

DRUK GYALPO

V. REPORT ON THE PERFORMANCE AUDIT REPORT BY THE PUBLIC ACCOUNTS COMMITTEE

The Public Accounts Committee (PAC) had presented the Annual Audit Report (AAR) 2012 in the Joint Sitting of the First Session of the Second Parliament. The House after extensive deliberations resolved that the Annual Audit reports on financial aspects would be presented during the summer sessions and the Performance Audit Reports would be tabled during the Winter

Sessions. Although, few review reports of Performance Audit would be presented in the current session, due to the reports being multi-dimensional and multi-sectoral in nature requiring detailed review and study, it was reported that the reports would be presented from time to time in the subsequent sessions as and when the review was completed.

The PAC had presented the Audit Report on the accounts of the People's Democratic Party (PDP) and Druk Phuensum Tshogpa (DPT) in August, 2013 while presenting the Annual Audit Report 2012 in the Joint Sitting of the First Session of the Second Parliament. However, the PAC could not present the details of the report then because it was not able to conduct detailed review of the reports at that time. Therefore, the House resolved that, the PAC in consultation with the Election Commission of Bhutan (ECB) and Royal Audit Authority (RAA) should review the report and present the status of the accounts of the two political parties during the winter session of the Parliament. The PAC therefore, presented a report on the status of the accounts of the two political parties. Further, the PAC presented also review report of the performance audit report on the Environmental issues in Forestry - National Forestry Inventory (NFI), Forest Fires and Watershed Management.

I. The PAC reviewed the report on accounts of the two political parties and pointed out the following;

1. The period under review with regard to the Audit Report and Operations of the two political parties was from 1/7/2008 to 30/6/2012 for the People's Democratic Party (PDP) and from 1/7/2010 to 30/6/2012 for the Druk Phuensum Tshogpa (DPT).
2. The ECB's notification on the matter of settlement of dues by both the parties was issued on 31st August 2012 and was based on the Status Reports submitted by the two Parties on 16th July 2012 and follow up documents received thereafter.
3. The AAR 2012 stated that only those significant audit findings remaining unresolved as of 31st March 2013 had been reflected. However, since RAA had received additional responses from several agencies, another meeting of the AAR Technical Committee was held on 9-10th May 2013 to review and resolve issues based on the responses and finalize the AAR 2012. It was in that meeting that their observation pertaining to DPT on the non-availability of money receipt books was resolved and removed from the draft AAR 2012 based on the response received from DPT on 3rd May 2013.

4. Other than this letter from DPT, RAA did not receive any response or updates from either party to the reminder letter sent on 14th December 2012 nor to the draft AAR 2012 by the stipulated time (8th March 2013). The RAA thus had no option but to deem the unresolved audit issues as still factually correct and accordingly reflected them in the AAR 2012.
5. Both parties should have been more diligent in responding to RAA's Action Taken Report (ATR) requests. DPT at least responded to an observation on the draft AAR 2012 based on which it was dropped in the final report whereas PDP didn't respond at all.
6. Considering that the RAA had given time up until 8th March 2013 to submit the ATR and responses to the draft AAR 2012 and had only finalized the AAR 2012 on May 10th 2013 based on additional responses documents received, this issue could have been resolved there and then had PDP been more mindful in responding to RAA's request. PDP was remiss in not furnishing these crucial documents to RAA at the same time as they did to ECB, assuming that the ECB would do so.

The Election Commission endorsed the accounts of the two political parties based on the following justifications;

1. The political parties were being formed for the first time;
2. The familiarization tours, although unforeseen, was necessary;
3. Fixed assets from more than 10% of total audited expenditure of the political parties for the financial year 2007;
4. Both parties were in a similar financial situation of having loans payable to financial institutions;
5. Both parties owed and had agreed to pay (albeit differing amounts) to respective former Party Presidents, other agencies and individuals which were in breach of the Public Election Fund Act.

The ECB vide notification on 3^{1st} January 2009 required the two parties, among other things, to clear all financial liabilities within the next four financial years i.e. by 30th June 2012 and not incur any more dues to non permissible sources which were in contravention of the Public Election Fund Act.

However, the two parties were given an opportunity to rectify their accounts by complying with the directives of the ECB as contained in the public notification.

The recent audit of DPT by the RAA has verified that the amount of Nu. 0.461 million has been recovered leaving a balance of Nu. 0.166 million. This balance amount has been carried forward to the current financial year (2012-2013) accounts and a separate observation has been issued on it. As such, this observation reflected in the AAR 2012 has been treated as resolved for now.

The PDP had an outstanding loan amounting to Nu. 21.721 million with Bank of Bhutan which had been liquidated by surrendering the land mortgaged in lieu of it. The mortgaged land surrendered was valued at Nu. 21.023 million. However, as the land belonged to the former PDP President, the amount now stood as borrowings from him which is not permissible by the Public Election Fund Act.

The above observation was resolved by the Follow-up Committee Meeting held on 30.12.2013 in view of the fact that the PDP had liquidated the loan amount of Nu. 21.023 million through a mix of cash repayment and voluntary contributions which had been accepted by the ECB.

The PDP had paid off Nu.2.668 million of current liabilities leaving a balance of Nu.1.289 million. The PDP has assured that it will make a public notification of old unclaimed current liabilities other than the amount of statutory liabilities, and if no

claims are lodged within the prescribed time frame, the same will be reflected accordingly in their 2014 accounts. The compliance of assurance would be verified in the next audit.

During the deliberation on this report, the Member from Nubi-Tangsibi constituency said that the core issue was the irregularities highlighted in the audit report where PDP availed the loan amount of Nu. 21.721 million from a bank by mortgaging land belonging to their former President. He said that PAC report was not satisfactory having failed to address the real issue.

In response, Minister for Home & Cultural Affairs said that the issue pertaining to the accounts of two political parties was not a new issue and the accounts had been settled and resolved. He said that in 2008, DPT also had five members who mortgaged their land, and it was not mentioned in the report as to how was it cleared. The loan availed by mortgaging the land of former PDP President was treated as his contribution to the Party and the accounts was accordingly settled. Therefore, the PDP got clearance from the ECB to contest the 2013 elections. If PDP had violated the law, it should not have been allowed to participate in the elections. He opined that if clearance issued to PDP was not legal, the clearance issued to DPT should also be deemed illegal. Further, he said that such doubts cast on the decisions of the Constitutional bodies such as RAA and ECB and if opposed is an indication of due disregard to their mandates.

A PAC Member clarified that both the parties have breached the law by availing loans from individuals, however, the ECB through administrative measures provided opportunity to the Parties. The Member opined that, if the Parties at that time were dissolved on the basis of breaching the law, it would have greatly affected our nascent democracy at its infancy entailing into huge expenditure resulting from re-election. Moreover, there were no other political parties participating in the elections at that time.

Although, it was cognizant that both the parties had breached the provision of Section 139 of the Public Election Fund Act, 2008, the ECB invoked the provision of Section 564 of the Election Act, 2008 and applied administrative measures and granted opportunity to right their accounts.

The House felt that it was important to set good example in our democratic system and provided directives and adopted resolutions as follows;

1. To study the need to amend or improve the provisions related to election laws electoral laws and adopt measures to prevent similar situations from happening with any political parties in future.

2. All Political Parties henceforth should exercise greater prudence with their finances and adhere strictly to the Electoral Laws.
3. Such oversight and inconsistencies should not be repeated in the future. Future Parties should be adequately advised by ECB so that they avoid the same mistakes.
4. ECB and RAA should enhance consultation with each other when it comes to the accounts of political parties. It was also directed that accounts and operations of political parties be audited annually without delay.
5. The House resolved that all the unresolved accounts should be fully resolved within the financial year 2013-2014. The deliberation on the report by the PAC on accounts of the two political parties concluded with the expression of appreciation for the achievements of RAA, ECB and the PAC.

II. Performance audit report on Environmental issues in Forestry - National Forestry Inventory (NFI), Forest Fires and Watershed Management

As resolved in the First Session of the Second Parliament, the PAC after its review & conduct of hearings presented the report on the Environmental Issues in Forestry - National Forestry Inventory (NFI), Forest Fires and Watershed Management in the Joint Sitting of the Parliament.

It was reported that the RAA, in line with the Constitutional requirement under Article 1.12 and 5.3 of the Constitution conducted the performance audit of forest. Special focus was put on the National Forestry Inventory, Forest Fire and Watershed Management activities to assess whether the Department of Forest and Park Services has maintained the forest inventory as per the type of vegetation, growing stock, description of stands and to understand the rigor and adequacy of strategies implemented by the Department to manage forest fires and destruction of water quality risks.

The performance report pointed out the following findings;

1. The forest coverage increased from 72.5 percent in 1995 to 80.89 percent in 2010;
2. Bhutan has been able to designate 51.44 percent of its total land area as protected areas;
3. The Community Forest was established to incorporate community participations in management, conservation and utilization of forest resources;
4. Bhutan was able to maintain and preserve the rich biodiversity with more than 5600 species of vascular plants, more than 600 species of birds and 190 species of mammals.

While acknowledging the achievements made thus far, the RAA also pointed out the following shortcomings;

1. There was no clarity on the strategy to meet the Constitutional requirement;
2. Slow formulation of National Forest Inventory which is a fundamental input for decision making on forest related issues;
3. Government Reserve Forest (GRF) outside formal management regimes;
4. Inadequacy in coordination and monitoring amongst the agencies;
5. Forest Thinning Programme- a Scientific Management of Growing Stocks;
6. Disintegrated Information Management System;
7. Non maintenance of updated records and documents on incidences on Forests Fires;
8. Slow Formulation of National Fire Management Strategy (NFMS);
9. Inadequacy in information of the forest fire incidences;
10. Aftermath activities of the forest fires;
11. Inadequate fire-fighting equipment and gears;
12. Lack of synergy between the Department of Forest (DoF) & Park Services (PS) and the National Environment Commission (NEC);

13. Absence of National Watershed Database (NWD) impede in formed decision-making;
14. Lack of management plans delay subsequent watershed management activities and programmes;
15. No gap analysis and or performance evaluation done for watershed management activities and programmes.

The review of the status of implementation of the ten recommendations made by RAA revealed the following;

1. A clear strategy should be instituted for a focused direction towards achieving the wisdom of constitution in perpetuity. Upon this recommendation the National Forest Policy 2011(NFP) has been drafted and adopted by the Government. The Forest and Nature Conservation Rules 2006 (FNCR) has been reviewed and revised to fulfill the emerging forestry and governance issues. It was reported that the Department is in the process of developing the National Forest Monitoring System (NFMS) for Bhutan in collaboration with UNFAO. The House was informed that this recommendation is partially implemented.
2. The National Forest Inventory formulation process should be expedited. It was reported that on this recommendation, NFI was initiated in 2009 recognizing

its importance and realizing the urgent need for the basic updated scientific and reliable data. The internationally acceptable standard of the Inventory Design and Methodology has been developed and tested. It was also reported that nominations and training of NFI crew was carried out in the subsequent years and the field enumeration started in July 2012. The Department has partially implemented the recommendation.

3. Forests outside formal management regimes should be brought under management regimes for sustainably managing GRF. Following this recommendation the guidelines on preparation of plans for management of forest areas outside the Forest Management Unit (FMU) system have been developed and endorsed by the Department. Further, training on preparation of Management plans has been imparted to staff of Territorial Divisions and National Parks and 15 plans have been technically reviewed, printed and distributed back to field offices for implementation out of 17 Management of Forest Areas outside FMU System Plans. The Department has partially implemented the recommendation.

4. Proper coordination amongst the agencies should be initiated to bring harmony towards achievement of common goal. With this recommendation department is undertaking the National Forest Monitoring System in collaboration with FAO to ascertain forest cover. The Department has partially implemented the recommendation.

5. The Department should explore the prospect of forest thinning. Upon this recommendation, a total of 3000 hectares of blue pine and mixed conifer stands were thinned in Thimphu, Paro and Bumthang Dzongkhags. The Natural Resources Development Corporation Limited (NRDCL) makes a quarterly report to the Department of the total area thinned and total volume achieved. Further potential thinning areas are identified on a need basis and depending on the market situation. Guidelines on scientific thinning of blue pine and mixed conifer stand have been developed. Further, a Scientific Thinning Plan has also been developed and published and sent to field divisions (to help guide them in marking and implementation of thinning activities). The Department has partially implemented the recommendation.

6. The Department may initiate integration of information management system to assist real-time decision making.

Based on this recommendation, FIMS has conducted numerous training on Forest information Database (FID) for Territorial Divisions and Protected Area staff on collecting data and sending it online to FIMS. The Department has partially implemented the recommendation.

7. The updated records and document on incidences of forest fires should be maintained and also expedite formulation of the National Fire Management Strategy. Upon this recommendation, National Level Forest Fire Management Strategy was developed and distributed. Forest Fire Rules of Bhutan 2012 has been developed and endorsed by the Department. Awareness campaign on forest fires on-going especially during early dry season. Fire occurrence, trends and causes assessment was completed. Forest Fire Volunteer Programs as a pilot project in the capital is underway and will be replicated in other Dzongkhags in the future. As a regular activity, public awareness campaigns on sensitization to forest fires and its impact are being organized. Forest Fire incidences and area damaged record:- Standard reporting format developed, data compiled and records maintained with the Fire Section of the Department, Data shared with FIMS. The Department has fully implemented the recommendation.

8. Proper coordination and linkages mechanism should be established between the DoF& PS and the NEC. In pursuant to this recommendation, Watershed Management Division (WMD) involves agencies that have some stake in water and land resources like NEC, DHMS, NSSC, Flood Division, MoWHS in trainings and workshops. NEC and WMD have been coordinating in terms of sharing of knowledge and information data. The Department has partially implemented the recommendation.

9. A national watershed inventory database should be in place for making key decisions in the management of watershed. For the practical purpose of implementation, watersheds across the country have been delineated using a threshold of 5000 hectares. Guidelines for rapid assessment and classification of watersheds were developed to identify critical and degraded watersheds. Assessment and classification of Wangchhu and Punatsangchhu river basins have been completed and the watershed management plans for two degraded watersheds are in final draft form. Mangdechhu and Kurichhu basins will be assessed in the 11th FYP. The Department has partially implemented the recommendation.

10. Timely monitoring and evaluations (M&E) must be done to ensure proactive interventions. Following this recommendation a Management plans are being developed. The Department has partially implemented the recommendation. During the deliberations, the Members said that the forest is the main element that not only sustains our watershed areas, wild life protection, climate conditions, but is also the principal source of water that is crucial for the development of hydro power which is the backbone of our economy. Therefore, Members submitted that it is crucial to manage the forest resources in a sustainable manner.

The Members also said that it is important to continue pursuing the policies and programs in terms of adequate budget, manpower and activities to keep our country clean and green. The Members also suggested enhancing eco-tourism and studying the status of our flora. The Members expressed that the benefits of community forest should be directly transferable to the people in the community to ensure success of community forest management. Further, the Members also urged to maintain the water sources and river basins. The Members also suggested preventing forest fires and up grading the fire fighting equipment along with vigorous forest fire prevention awareness program in collaboration with the relevant stakeholders.

The Minister for Agriculture & Forest reported that the exercise for National Forestry Inventory (NFI) development was initially planned to be completed in 2018. However, due to the significance of the initiative, the deadline for NFI was brought forward to 2015 and a budget of Nu. 61 million has been allocated for it. The performance audit report revealed that the development of NFI alone would require budget of Nu. 252 million.

The Members sought clarification on the increase in forest cover in comparison to forest cover in 1995. In response, the Opposition Leader said that the increase in forest cover is attributable to the increased rural urban migration, lack of shifting cultivation, dry land getting forested and doing away with the practice of setting the *Tsamdros* on fire. He also said that the forest survey was carried out using modern equipment. However, due to the extensive farm road construction and laying of power transmission lines, the forest cover is likely to reduce and exact status of the forest cover would be known upon the completion of National Forest Inventory exercise. It was also reported that there is a need to have permanent finance for the sustainable management of forest.

The review of performance audit report by PAC revealed that most of the above recommendations were implemented and the House therefore, expressed their appreciation. It was reported that complete implementation of above recommendations would require more time and most of the issues would be resolved

upon the development and implementation of National Forest Monitoring System. Further, the House urged the Department of Forest and Park Services to continue working towards its mandates.

The House urged to enhance the forest fire prevention awareness programs in coordination with the Local Government and collaborate with relevant agencies to achieve the common objectives. The lack of adequate human resources and budget is a perennial problem in successfully carrying out the plans and programs. Therefore, the House recommended that the government study and address the issue at the earliest.

The House resolved that the Ministry of Agriculture should continue implementing the recommendations on a priority basis and report the implementation status from time to time and as and when the recommendations are implemented.

(22nd Day of the 11th Month of the Water Female Snake Year corresponding to January 23, 2014)

VI. HOMAGE TO THE LATE VEN. TSHOKI LOPEN RINPOCHE KUENLEY GYELTSHEN ON HIS DEPARTURE TO HEAVENLY ABODE

The late Ven. Tshogki Lopen Rinpoche of Zhung Dratsang, Kinley Gyeltshen in his entire life time assumed responsibility as the Chief Abbot in many of the *Shedras* for the benefit of the dharma and sentient beings. Having produced many far sighted disciples, he left for the heavenly abode on the 30th Day of the 10th Month of the Water Female Snake Year at 8pm. It was reported that, led by His Holiness the Je Khenpo the funeral will be presided over by many Trulkus and Khenpos at Punakha Legshey Jugney Shedra on the 23rd Day of the 11th Month of the Water Female Snake Year.

On behalf of the people of Bhutan and on its own behalf, the Parliament observed one minute of silence in reverence and prayers for the immediate reincarnation of the late Ven. Tshogki Lopen Kinley Gyeltshen.

VII. REPORT BY THE LEGISLATIVE COMMITTEE ON THE AMENDMENT OF THE NATIONAL ASSEMBLY ACT AND LOCAL GOVERNMENT ACT

The Chairperson of the Legislative Committee reported on the amendment of the National Assembly Act 2008 and Local Government Act 2009. He reported that, the Member of Limukha-Toewang constituency had moved the motion for the amendment

of the National Assembly Act 2008, National Council Act 2008 and Local Government Act 2009 in the First Session of the Second Parliament. Accordingly the House had directed the Legislative Committee to review the Acts and to submit a report in the Second Session. He informed that, the National Council Act however, would be tabled in the National Council, as decided in the preliminary agenda meeting. He further reported that several meetings had been held to discuss the National Assembly Act and the Local Government Act.

During the review of the Local Government Act, meetings were held with the Director and officials from the Department of Local Government under the Ministry of Home and Cultural Affairs and with the Secretary and relevant officials of the Ministry of Works and Human Settlement. The Committee after reviewing the recommendations submitted by the Ministry of Works and Human Settlements in collaboration with the Dzongkhag Thromde Tshogde, has incorporated the relevant clauses in the Bill.

He said that the Committee while reviewing the Act, always kept in mind the provisions of the Constitution, especially the provision on the fundamental rights and duties. The Committee after extensive deliberation tables the National Assembly (Amendment) Bill 2014 and the Local Government (Amendment) Bill 2014 for endorsement with some amendments and additional clauses.

While reviewing the National Assembly Act 2008, it was found that the provisions of the National Assembly Committee Act of the Kingdom of Bhutan 2004 and the Speakers Act of the National Assembly of Bhutan 2004 were inconsistent with the Constitution and other existing legislations. In addition, they presented some implementation issues. In view of this, these two Acts are proposed to be repealed and important provisions are to be incorporated in the National Assembly (Amendment) Bill 2014 while those not provided in the amendment bill are covered by the National Assembly Rules of Procedure 2014. Further it was also reported that the committee would be presenting the reasons and objectives for the amendment during the Second and Third Reading of the Bill.

Other Members also seconded and endorsed the amendment of the National Assembly Act 2008 and Local Government Act 2009. Members pointed out that National Assembly Committee Act of the Kingdom of Bhutan 2004 and the Speakers Act of the National Assembly of Bhutan 2004 were enacted prior to Parliamentary Democracy. With the ushering in of democracy the role of the Speaker has undergone major changes leading to some inconsistencies with the provisions of the Constitution. Therefore, the Members said that, it is imperative to either amend the National Assembly Committee Act of the Kingdom of Bhutan 2004 and the Speakers Act of the National Assembly

of Bhutan 2004 while amending the National Assembly Act or include the relevant provisions pertaining to the Speaker and the Committees in the National Assembly (Amendment) Bill 2014. (23rd Day of the 11th Month of Water Snake Year corresponding to January 24 , 2014)

VIII. REPORT BY THE MINISTER FOR WORKS AND HUMAN SETTLEMENT ON THE TENANCY ACT.

The Minister for Works and Human Settlement had moved the motion to amend the Tenancy Act 2004 in the First Session of the Second Parliament. It was resolved then that if the Ministry faced problem while enforcing the Act, the Ministry should carry out extensive consultation not only with the relevant Ministries, departments and corporations but also with the general public.

The clauses that needed amendment and review should be clearly spelt out and reported to the Second Session. Consequently, the Ministry carried out public consultation in Thromdes in the 20 Dzongkhags and also hosted web based discussion forum for about two months. The feedback received highlighted several clauses in the Act that needs review and amendment.

It was reported that the fundamental principle of the Tenancy Act revolves firstly around the house owner and the tenant and secondly to ensure that the tenants receive equal treatment by

protecting their rights and responsibilities. Based on this, the Ministry collected feedback where six issues were raised for amendment. The First being tenancy authority, followed by dispute settlement committee, rental agreement, rental charge, rent increase and rights and duties. The Minister also reported that the amendment bill was also ready.

The Members submitted that the Tenancy Act 2004 needs to be amended for it to benefit the people and to keep up with changing times. While some Members pointed out the importance of amending the Act in the current session they also said that it was imperative to be mindful of the objective of the act. Members also submitted out that it was imperative to review the need for establishment of the dispute settlement committee, to set at par the rents of government and the private houses and to set out penalty clause for the defaulters. Acknowledging the importance of amending the Act, the House resolved that Ministry for Works and Human Settlement should table the amendment of the Tenancy Act 2004 as per the legislative process in the Third Session.
(23rd Day of the 11th Month of Water Snake Year corresponding to January 24, 2014)

IX. MOTION TO OBSERVE INTERNATIONAL DAY OF HAPPINESS AND GROSS NATIONAL HAPPINESS DAY INDEPENDENTLY

The Minister for Home and Cultural Affairs submitted that, His Majesty the Fourth Druk Gyalpo initiated the noble philosophy and policy of Gross National Happiness in 1972. Therefore, policies pertaining to Five Year plans and socio-economic developments were implemented based on the policy of Gross National Happiness which has yielded results beyond expectations. Moreover, the prominence of Gross National Happiness had spread not only in Bhutan but also around the world. During the 67th General Assembly of the United Nations in 2012, 20th March was resolved to be observed as the International Day of Happiness. Accordingly, resolution was also passed in the 9th Session of the First Parliament to observe the Gross National Happiness Day along with the International Day of Happiness.

He submitted that March 20 would be continued to be observed as the International Day of Happiness. However, since the noble policy and philosophy of Gross National Happiness emanated from His Majesty the Fourth Druk Gyalpo and in order to pay special respects and tribute, it was proposed that the Gross National Happiness Day be observed on November 11 along with the Constitution Day and the National Children's Day commemorating the birth anniversary of His Majesty the Fourth Druk Gyalpo.

During the deliberation, many of the Members submitted that the philosophy of Gross National Happiness emanated from the heart of the benevolent Fourth Druk Gyalpo. Therefore, it was imperative to observe November 11 as the Gross National Happiness Day coinciding with the birth anniversary of His Majesty the Fourth Druk Gyalpo. Members also submitted that March 20 should be continued to be observed as the International Day of Happiness as well.

However, some Members opined that March 20 was declared as International Day of Happiness by over 193 countries after deliberation in three sessions of the United Nations. The day was declared in appreciation and high regard for the philosophy of Gross National Happiness. It was submitted that if the Gross National Happiness Day was not observed on March 20, it may seem that the resolution of the United Nations was being disregarded. It was also submitted that the day on which Gross National Happiness Day was observed would not matter because there will always be gratitude for His Majesty the Fourth Druk Gyalpo.

Further, Members submitted that March 20 would provide a separate day to pay tribute to His Majesty the Fourth Druk Gyalpo besides November 11. While others also pointed out that the observation of International Day of Happiness was resolved in the Joint Sitting of the Parliament and hence felt that the present deliberation should also be held in the Joint Sitting.

The Prime Minister expressed that the previous government had diligently promoted Gross National Happiness to the United Nations. He expressed his gratitude and acknowledged the United Nation's resolution to observe March 20 as the International Day of Happiness.

However, he said that, if Gross National Happiness Day was not observed as a special day on November 11, there was possibility that His Majesty the Fourth Druk Gyalpo would be forgotten as the founder of Gross National Happiness in the far future.

Instead, the Day may be remembered for as an International Day of Happiness. Hence he reiterated the importance to observe the Gross National Happiness Day on November 11 coinciding with the birth anniversary of His Majesty the Fourth Druk Gyalpo in homage and tribute for this noble philosophy for all times to come.

Consequently, as per democratic principles, the National Assembly resorted to vote through show of hands on the decision to observe November 11 as the Gross National Happiness Day commemorating the birth anniversary of His Majesty the Fourth Druk Gyalpo. After the Members voted in favor, the House resolved to observe November 11 as the Gross National Happiness Day. It was also resolved that March 20 will continue to be observed as the International Day of Happiness.

Regarding the Constitution Day, the House resolved that explicit deliberation would be conducted during the deliberation on the Rules of Procedure of the National Assembly. The House also directed that henceforth administrative issues and issues requiring approval for deliberation in the House must be well considered.

The House also clarified that the resolution to observe International Day of Happiness was not decided in a Joint Sitting of the Parliament but it was first resolved in the National Assembly and then transmitted to the National Council. The deliberations too observe of International Day of Happiness and Gross National Happiness Day on different days concluded.

(26th Day of the 11th Month of the Water Female Snake Year corresponding to January 27, 2014)

X. SUPPLEMENTARY BUDGET APPROPRIATION BILL FOR THE FINANCIAL YEAR 2013-14

As per Chapter 21, Section 246 of the National Assembly Act of Bhutan, the Finance Minister moved the motion to introduce and adopt the Supplementary Budget Appropriation Bill for the financial year 2013-2014. He said that Section 60 of the Public Finance Act 2007 granted the government to introduce Economic Stimulus Plan (ESP). However, given its historic initiative in addressing the economic ailments of the country the ESP has been presented in the House for its consideration. He also submitted

that the Government would like to seek guidance and support on the Supplementary Budget Appropriation Bill before new plans are formulated.

The ESP prepared by the Task Force in both Dzongkha and English were distributed to the Members. Upon the motion moved by the Finance Minister, the National resolved to deliberate on the ESP on 3rd February, 2014 upon proper review of its contents. While deliberating on the Supplementary Budget Appropriation Bill for the financial year 2013-2014 on 3rd February, 2014, the Finance Minister reported that in the last two to three years the economy of the country was faced with some unfavorable conditions leading to credit crunch and rupee shortage affecting the private sector. The Government of India provided grant of Rs.5 billion towards the ESP aimed at addressing the pressing economic problems. The provision of such generous grant is mainly attributable to His Majesty the Druk Gyalpo and His Majesty the Fourth Druk Gyalpo. It was thus imperative for the Bhutanese people to express their gratitude to Their Majesties. The Ministry of Finance expressed special appreciation to the Government of India.

It was reported that the National Task Force for the ESP was comprised of financial experts and experienced members and the Task Force conducted numerous meetings spanning over the period of 5 months in formulating the ESP. The ESP was focused

on achieving three main objectives. The first objective was to enhance liquidity in the financial institutions in revitalizing the credit market. Second objective was aimed at addressing the problem of rupee shortage and third was to provide special support schemes. In order to provide credit to the people an amount of Nu. 2.1 billion was allocated to the to the financial institutions as provided in the table below;

1. Loans to be provided by the Government (Nu. 2100.00 million)

Financial Institutions	Total Amt. Nu. (in mill)
Bank of Bhutan	500
Bhutan Development Bank	430
Bhutan National Bank	500
T-Bank	150
Druk Punjab National Bank (PNB)	150
Royal Insurance Corporation Ltd.	250
Bhutan Insurance Limited	120

Similarly, it was reported that a revolving fund of Nu. 1.9 billion was allocated for small industries to provide collateral free credit at the interest rate of 4% and Nu. 200 million was allocated for Special Support Schemes.

In the first year of the 11th Plan Nu. 30 million would be set aside towards support for the students to pursue higher education and Nu. 110 million towards unemployment scheme. It was further

reported that Nu. 60 million would be set aside for the welfare for senior citizens which would be utilized in consultation with the Office of the Gyalpoi Zimpon.

To this, the Members expressed that the funds sought by the government under the guidance of His Majesty and the plans formulated for socio-economic development would immensely benefit the country and the people in addressing the our economic problems. The House expressed its appreciation to the ESP National Task Force for their excellent job and Government of India for committing Nu. 5 billion towards ESP.

Despite the well formulated plans, some important reminders were made such as on the increase of Rupee Reserve. As per the report, regardless of whether the money is deposited in the Banks or even if Nu. 100 is loaned out it will have a multiplier effect. Therefore, with the multiplier effect if Nu. 5 billion is multiplied twice and is given to Banks and spent in the villages about 80% of Nu. 10 billion will result into Nu. 8 billion rupee shortage. Therefore, it is imperative to into the matter.

Similarly, with regard to Capital Adequacy Ratio (CAR), the injection of Nu. 2.1 billion will increase the liquidity by 10%. This will increase the liquidity to Nu. 20 billion which if the impact on Rupee reserve is calculated at 80% will increase to Nu. 15-16 billion. Therefore, the Rupee situation should also be looked at.

In addition, with the increase in domestic production the potential to export should also be explored otherwise we will not be able to offset the imports.

It was submitted that besides formulating plans to create job opportunities, it was crucial to strengthen the taxation system regarding the import of products that are harmful to health and environment in while enhancing industries. The economy of the country is the cornerstone in enhancing the security and sovereignty of the nation, happiness of the people, creation of employment opportunities and sustaining democracy. It was therefore, important for all the people including the ruling and opposition parties to work hand in hand towards strengthening the economy. The House cautioned whether Nu. 5 billion would be adequate for ESP and if not it was necessary to continue mobilizing the funds. The establishment of Business Opportunity and Information Centre (BOIC) to implement ESP was felt to be not necessary because its mandates could be taken up by a department under any relevant ministry. The Members also opined that it is crucial to have clear ESP implementation plan in place.

Towards this, the Prime Minister and the Ministers conveyed that while the ESP would not solve all the economic problems of the country, it would however address the problems of rupee shortage and revitalize the credit market. It was informed that Nu. 5 billion

amounts to 35% of the capital budget for the current year. Hence, if the opportunity was utilized wisely, it would boost local production, reduce imports and enhance exports. It was submitted that all the Bhutanese people must embrace such step taken by the government with keen interest and strive hard. Further, it was submitted that in order to successfully implement ESP, it was imperative to establish an autonomous Business Opportunity and Information Centre. As the onus of achieving objectives of the ESP rests with the Centre and its Director, the emoluments of Director would be fixed at par with the equivalent post in DHI that is commensurate with its roles and responsibilities.

The government emphasized on the implementation of the plans as commanded by His Majesty The King during the National Day. It was submitted that the joint support of the NGOs, financial institutions and the people would not only implement the plans successfully but would also strengthen the economy of the country in future.

It was reported that the ESP was formulated to be implemented through grant assistance and has no debt obligation. Although, the ESP may not serve as the panacea for complete elimination problems associated with national debt burden and rupee shortage, it would benefit in reigning in the further aggravation of the problems. In addition the plan through various windows would also facilitate exports and imports besides addressing

unemployment issues benefiting the retired armed force personnel and civil servants who are not part of the mainstream pension scheme.

The Supplementary Budget Appropriation Bill was tabled in the House before its implementation to solicit advice from the Members. The Finance Minister on behalf of the government expressed his appreciation to the House for their valuable input on the Bill and its consideration. He also pledged for his commitment for proper implementation of the plan.

The House opined that the ESP would contribute in strengthening the security and sovereignty of the nation. As the ESP is prepared in conjunction with the 11th Five Year Plan, it would benefit the general public and create employment opportunities. The House endorsed and concluded its deliberation on Supplementary Appropriation Bill 2013-2014 amounting to Nu. 4,200.00 million. The House expressed its appreciation to the Government of India for committing Nu. 45 billion towards 11th Five Year Plan and Nu. 5 billion towards Economic Stimulus Plan.

Upon the motion moved by the Finance Minister for the adoption of the Supplementary Budget Appropriation Bill 2013-2014 amounting to Nu. 4,200.00 million. The House endorsed the Bill with 42 out of 43 Members voting affirmatively for the Bill.

(5th Day of the 12th Month of the Water Female Snake Year corresponding to February 4, 2014)

XI. STATUS OF IMPLEMENTATION OF RESOLUTIONS

11.1 Report by the Good Governance Committee on the Provision of Human Resource Autonomy to the Anti-Corruption Commission of Bhutan

The First Session of the Second Parliament as per resolution No. 6.4.4 directed the Legislative Committee to review the provisions of the Constitution of the Kingdom of Bhutan and other relevant Acts so as to provide human resource autonomy to the Anti-Corruption Commission. The Committee was also directed to submit a report on the same to the Second Session of the Parliament. The Good Governance Committee based on the nine submissions made by the Anti-Corruption Commission submitted six recommendation to provide human resource autonomy to the Commission.

During the deliberation on the report, many of the Members supported the recommendations made by the Committee. However, some Members were not in favor of increasing the remunerations as recommend in point No. 3 and Provision of short term trainings for contract employees in recommendation No. 6.

The issue of Anti-Corruption Commission being granted autonomy from the Royal Civil Service Commission was discussed numerous times in the past sessions.

However, considering the policy of the government for compact and efficient civil service in a small country, autonomy was not granted to the ACC. Nevertheless, the amendment of the Anti-Corruption Act effected in 2011 has helped the Commission in resolving many of the inconveniences and difficulties.

In accordance with the Constitution of Bhutan, the Legislature, Judiciary and other Constitutional bodies are independent from the Royal Civil Service Commission. Nevertheless apart from the Members of the Parliament, Judges in the Judiciary and Commissioners and Chairpersons of the Constitutional bodies, all the other employees in these organizations are part of the civil service. Therefore, in case the ACC is given autonomy, the same will have to be implemented consistently among others which will cause inconvenience and difficulties.

In addition, if other institutions independent from the Royal Civil Service Commission establish their own offices there will be different scales of salaries, travel and daily allowances adversely affecting the country's economy. It was also submitted that it was not feasible to give autonomy because many of the offices were small and the employees would face difficulties in transfer and promotion.

However, it was submitted that those officers directly involved in the investigation of corruption could be independent from the RCSC. It was also pointed out that there was a need to look into the responsibilities of the Royal Audit Authority, Anti-Corruption Commission and Royal Bhutan Police to avoid duplication of work. For the ACC to carry out its responsibilities efficiently without fail, it was imperative to increase the salary and allowances of civil servants working in the Commission at par with those highly paid employees of other institutions and organizations. It was submitted that the government should instruct the pay commission to look into the matter.

It was felt that, the difficulties that the Commission faced while carrying out its responsibilities was due to the stringent provision of the Royal Civil Service Act. Therefore, the committee recommended the ACC and RCSC to sit together and agree to liberally interpret the provisions of the Acts to facilitate smooth implementation. While a need may arise to amend both the ACC and the RCSC Act, it was recommended for the two Commissions to discuss the provisions of the Acts and look at liberally interpreting and implementing the Acts and submit a report on the same in the next session.

The House engaged in substantive deliberation and affirmed the following six recommendations made by the Committee:

- 1) Permit the ACC to determine its own staffing pattern by taking a liberal interpretation of the phrase “in consultation” in Sections 28 of the Civil Service Act and Section 8 of the Anti-Corruption Act.
- 2) Relax the criteria of “Certificate of Eligibility” in the case of technical graduates, by amending Rule No. 4.4.3. of the Bhutan Civil Service Rules (BCSR).
- 3) Encourage graduates to join the ACC by enhancing the remunerations of the ACC employees and mandate the Pay Commission to consider the matter.
- 4) Respective Agencies should issue No Objection Certificate (NOC) to those interested candidates wishing to get transferred to the ACC.
- 5) Delegate the powers of the RCSC to the ACC in relation to the development and implementation of performance appraisal system which may be monitored by the RCSC from time to time
- 6) Permit the ACC to provide short-term trainings to contractual employees, by amending Section 9 of the BCSR.

Moreover, the Constitution of Bhutan provide the Supreme Court as the guardian of the Constitution and the final authority on its interpretation. Therefore, the Supreme Court should provide an interpretation of the phrase the commission is an “independent authority” as stated in the Constitution to solve problems when implementing the provisions of the Constitution.

The House supported the six points recommendations made by the Good Governance Committee in order to give human resource autonomy to the ACC and resolved the following:

- 1) The House supported and adopted the six recommendations made by the Good Governance Committee by a show of hands.
- 2) As per Article 26 of the Constitution of Bhutan, the term of office of the Chairperson and the members of the Royal Civil Service Commission is coming to an end, therefore the Commission for the time being should look into the recommendations made by the by the Good Governance Committee. After the appointment of new Commission Members, the Commission and the Constitutional bodies should together discuss the problems faced by the Constitutional offices while implementing the Civil Service Act. A report therefore is then to be submitted to the Third Session of the Second Parliament.

- 3) The National Assembly assured its continued support to the Anti-Corruption Commission and commended the Commission and the Good Governance Committee on successfully submitting a report to the House. **(8th Day of the 12th Month of the Water Female Snake Year corresponding to February 7, 2014)**

11.2 Review Report By The Ethics And Credential Committee On Annual Anti-Corruption Report

On February 2, 2014 corresponding to 13th Day of the 12th Month of the Water Female Snake Year, Ethics and Credential Committee presented the following recommendations on Anti-Corruption Commission's empowerment to investigate Civil Society Organizations and corruption related to elections after reviewing related acts as per the resolution passed by the 1st Session of the Second Parliament.

It was reported that, while reviewing the corruption cases in Civil Society Organizations (CSOs), the investigations are executed in a normal procedure like in any other governmental and institutional offices where investigations are done upon receipt of a complaint. It was also reported that operation and utilization of properties mobilized by a CSO is done with utmost transparency as ensured by clauses 93, 94, 96 and 99 of the CSO Act.

In addition it was reported in the House that these clauses ensure disclosure of financial information, that is audited annually by RAA and members are authorized to delve into the documents. Because of the availability of such checks and balances mentioned above, it was reported that there are no legal hindrances to ACC in investigating corruption cases in CSOs if required, to which the House supported in acceptance. After which, it was reported that according to the information provided to the Legislative Committee of National Assembly of Bhutan by Election Commission of Bhutan, disputes that generated in 2013 general election are all settled by the dispute settlement bodies at various stages of the ECB. Since there were no appeals to the next appellate body (the High Court of Bhutan) for all grievances after the elections from any political party or group for such decisions taken by ECB, it was reported to the House that the issue of rampant election process violation as alleged in some media forums, does not draw attention to amend election laws.

Some of the Members opined on the above from their past experiences stating that around 13 clauses related to Controlling Officers, Returning Officers, Observers and Party Representatives from the Election Act of Bhutan 2008 needs to be amended.

However, most of the Members voiced that exercising of Election Act 2008 has a lot of set back and moreover, for democracy

to flourish, the base Acts related to Election should be made stringent thus not only a few clauses of Election Act of Bhutan 2008 but aiming at convenience and reliability at all times, it was recommended that the whole act should be reviewed and amended. The Legislative Committee Chairperson stated that judging at the difficulties from the previous elections; reviewing the Election Act in consultation with related Agencies, Departments, Institutions, Corporations and public is deemed important whereby Legislative Committee will find time to review the Election Act and report it in the fourth session to which the House adopted with the Members raising hands in support.

The Speaker on that matter apprised that the Legislative Committee while reviewing the Election Act 2008, it is important to align it with the related Acts, Rules and Regulations. Moreover, the House directed the Committee to consult with related Agencies, Departments, Institutions, Corporations and public and report the reviewed Act in fourth session.

(13th Day of the 12th Month of the Water Female Snake Year corresponding to February 12, 2014)

XII. RATIFICATION OF THE CONVENTION ON THE RECOGNITION AND ENFORCEMENT OF FOREIGN ARBITRAL AWARDS

The Minister for Economic Affairs moved the motion to ratify the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958. It was reported that The Convention was adopted by United Nations diplomatic conference in 1958 by 149 contracting states.

The Arbitral Convention is aimed to settle disputes between two nations as per the arbitration guidelines. With the adoption of the Economic Development Policy (EDP) 2010 and as per clause 7.1.16 of the EDP, Bhutan has to accede to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

As mandated by Alternative Dispute Resolution Act of Bhutan 2013, Bhutan has acceded to the International Agreements. Moreover Bhutan has the potential to be identified as a FDI destination for investment in numerous sectors listed under the FDI policy, so to promote Bhutan as a FDI destination, predictable laws have to be enacted to secure foreign investment. To this end, Bhutan has signed the Convention to ensure recognition and enforcement of foreign arbitral awards. The ratification by the Parliament would further make the laws transparent.

Setting procedures for the recognition and enforcement of foreign arbitral awards would allow the national courts and the Bhutanese business to experience and develop expertise in the international commercial arbitration. Ratification of the Convention would enable feasible environment for signing of the business agreements with other countries. The urgent call for accession is also reiterated by the Druk Holding and Investments and other private sectors.

The Convention requires the recognition and enforcement of foreign arbitral awards .i.e. Arbitral awards made in the territory of another State as binding and to enforce them in accordance with the national rules of procedure. The Convention is widely recognized as a foundation instrument of international arbitration because of its reciprocal recognition and enforcement provisions.

Supporting the Convention, some Members submitted that happiness of the nation lies with economic prosperity which in turn is reliant on supporting the trade whereby concentrating on the investment and solving youth unemployment issues. Following the foreign investments, it is important to have mechanism to solve disputes related to it.

The convention would solve the inconveniences of the trade and thereby providing an opportunity to amend the relevant laws to promote trade. Further, it was submitted that there is an

opportunity to incorporate the important arbitration provisions of the convention in the prevailing best practice of arbitration in the country.

Deliberating the convention, submission was made regarding few Dzongkha translation inconsistencies, to which the Hon Speaker directed the members of Panbang constituency and Nyisho-Sapehu constituency under the coordination of the Economic Affairs Minister to improve the Dzongkha text of the convention as per the English text and then transmit it to the National Council and to change the title of the Convention as per the Constitution. The Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958 was ratified with 39 Member Members voting ‘Yes’ and 1 Member voting “No” while 1 member abstained from a total of 41 members present.

(14th Day of the 12th Month of the Water Female Snake Year corresponding to February 13, 2014)

XIII. RATIFICATION OF THE INTERNATIONAL CONVENTION ON THE SIMPLIFICATION AND HARMONIZATION OF CUSTOMS PROCEDURE(REVISED KYOTI CONVENTION)

The Finance Minister moved the motion to ratify the International Convention on the Simplification and Harmonization of Customs Procedure. It was submitted that the World Customs Organization (WCO) as an inter-governmental body has been involved at

the forefront in developing many trade facilitating tools and worked towards simplifying and harmonizing the customs procedure which later evolved into an International Convention on Simplification and Harmonization of Customs Procedure. It is designed to assist the contracting parties to achieve a modern customs administration, curb corruption and amend the laws of the relevant institutions accordingly. It would also benefit trade and commerce in the country. It would further reduce cost related to trade and commerce in the border areas and promote transparency and accountability in the management of trade and commerce.

Seeking the support for the Convention, it was submitted that Bhutan became a member of the World Customs Organization in 2002 and that there are 197 members to the Organization. Kyoto Convention was adopted during the 94th session of the WCO by the 114 Customs Administration and entered into force on February 2, 2006.

Extending their support, the Members submitted that following the ratification of the Conventions, it is important that it is properly implemented. Further it was submitted that there is benefit of providing employment opportunities to the youth within the country and not outside and moreover it is a good measure to curb illegal activities.

Furthermore, in the absence of the Convention, Bhutan would miss out on the benefits and opportunities accorded by the Convention. The electricity is the main source of revenue in the country. It is imperative to properly manage the electricity and find ways to increase the revenue in the country by promoting FDI procedures and other trade and commerce.

Deliberating on the convention, submission was made regarding few Dzongkha translation inconsistencies, to which the House directed the Members of Panbang constituency and Nyisho-Sapehu constituency under the coordination of the Finance Minister to improve the Dzongkha text of the convention as per the English text and then transmit it to the National Council. The International Convention on the Simplification and Harmonization of Customs Procedure was ratified with 42 Members voting ‘Yes’ and 1 Member voting ‘No’ from a total of 43 Members.

(14th Day of the 12th Month of the Water Female Snake Year corresponding to February 13, 2014)

XIV. RE-DELIBERATION ON THE SUPPLEMENTARY BUDGET APPROPRIATION BILL 2013-14

The Speaker expressed his appreciation to the National Council for their recommendations for the benefit of the people and the country. He also urged the House to engage in substantive deliberations on every recommendations.

The Minister for Finance informed that as per Article 13 and 14 of the Constitution, only the National Assembly had the authority to deliberate on Money Bill. However, he expressed that there was no harm in deliberating the recommendations by the National Council as it was one of the important institutions.

Further, the Minister of Finance added that the country was facing economic problem for the first time and the Economic Stimulus Plan was also first of its kind. Therefore, expressing his appreciation, the Minister said that the four recommendations made by the National Council would bring additional benefits.

It was submitted that recommendation no. 1 pertained to the loans to be provided by the government whereby the government injects money into the financial institutions for a period of ten years but when the government takes the money, its only for a period of one to two months. The implementations were done as per the Treasury Bill and the financial institutions must keep 20% of every loan amount with the Royal Monetary Authority as per the SLR.

It was submitted that financial deficit was inevitable and when it was not met by the internal revenue, grants and loans had to be sought from external sources. The aim of the Government was to maintain the financial deficit at 5 % during the 11th Plan and at 3% at the end of the plan. Therefore, the financial institutions would not be affected even if the government seeks loan from it to deal with financial deficit.

Towards this, the Members submitted that there was no room for concerns as government seeking short term loans from the financial institutions was an international practice.

In addition, the government would inject Nu. 2.100 billion into the financial institutions for a period of ten years at an interest rate of 6% per annum which amounts to Nu. 1.206 billion for ten years. Thus, submissions were made that it was imperative to consider the roles of both the government and the financial institutions. Further, it was opined that it was important to ascertain whether or not the financial institutions could provide loans from the Economic Stimulus Plan for construction works.

The Minister for Finance informed that regarding financial deficit, it was clearly provisioned in the Budget Appropriation Act for the financial year 2013-14 and need was not felt to mention the same in the Bill. He also clarified that officials of the financial institutions were consulted while allocating money to the financial institutions for providing loans. Thus, there was no system of reflecting details of providing loans in the Act.

The National Council recommended on establishing cooperatives under recommendation no. 2 pertaining to revolving fund. The Minister for Finance expressed that the recommendation was good and the government would hold consultations on it. The Minister

of Agriculture and the House also expressed that establishing agriculture cooperative was an important recommendation and accordingly endorsed it.

Some Members expressed their support for the recommendation made by the National Council on section A & B of the Special Support Scheme. It was submitted that His Majesty had always been compassionate and granted kidu to senior citizens. Therefore, it would benefit if the budget allotted to the youth could be adjusted for allocation to senior citizens. The House also acknowledged the submission of the National Council that it was important for the political parties to work according to the provisions of the Constitution while formulating plans after making such pledges.

Towards this, the Minister for Finance clarified that the Labour Ministry has kept aside Nu. 550 million from the general budget for youth employment whatever reported at present were additional budget. He also informed that sufficient budget have been submitted to His Majesty's Secretariat considering the problems of many senior citizens in rural areas. Hence, the House resolved not to make any changes pertaining to this issue in the Bill.

The House acknowledged and expressed its appreciation for the general recommendation made by the National Council as an apolitical House. The recommendation was a reminder that the security and sovereignty of the country shall always be upheld by any political party in future.

Besides, it was opined that the recommendation was mainly made as a reminder that it would affect the security, sovereignty and peace of the country if political parties seek external funding through various means in future. Therefore, it was expressed that the recommendation was made not in distrust for the support rendered by the friendly country but for the future benefit of the nation.

The recommendation by the National Council stated that Economic Stimulus Plan should be kept as first and last of its kind. The House expressed that such recommendation was made by the National Council being a House of review. In addition, it was submitted that employment opportunities could be created more than the Economic Stimulus Plan if the Government could emphasize more on hydro electricity.

It was submitted that the recommendation made by the National Council should be understood as a reminder for future benefit and not as opinions on Indo-Bhutan relations. Everyone was aware of the sacredness of relations between India and Bhutan. Therefore, the recommendation should be taken broadly and not to be assumed in relation to the Government of India.

Some Members submitted that the National Assembly had the authority to decide on Money Bills while the National Council could provide recommendations. Thus, it was not necessary to extensively deliberate on the matter.

It was important to acknowledge the recommendations of the National Council as it was an important branch of the Parliament. However, need was felt to keep the system flexible of whether or not to accept the recommendations regarding such plans considering the future uncertainties.

It was expressed that the Economic Stimulus Plan was being implemented with grant from the Government of India to address present economic problems. However, it was not only the People's Democratic Party but all other parties which pledged for Economic Stimulus Plan. It was submitted that grant towards Economic Stimulus Plan was given not to the government but to the people of Bhutan which was possible due to Their Majesties. Therefore, there was no need to be concerned.

In future, it was imperative for any political party which comes to power to tackle economic problems with such plans. Opinions were also expressed for the importance to seek external grants for such plans after meticulously considering the welfare of the country and the people.

Considering the importance of the Supplementary Budget Appropriation Bill, the National Assembly extensively deliberated and transmitted to the National Council. Consequently, the National Council made four recommendations which were acknowledge by the National Assembly with 22 Members participating in the deliberations.

In addition, the House endorsed that it was imperative for the plan to be formulated with unanimous consensus as per the provisions of the Constitution to uphold the security and sovereignty of the country and wellbeing of the people.

The House also reached consensus on the importance to deliberate the impact of such external funding on the security and sovereignty of the nation in future. Further, the importance of synchronization of formulation and implementation of plan was acknowledged. Besides, consensus was reached that Members expressed concerns on the matter as source of funding was mentioned as a foreign country and not as the Government of India.

The House was also recalled of the Indian Prime Minister Pandit Jawaharlal Nehru and Late His Majesty Jigme Dorji Wangchuck's visit to Paro where the Indian Prime Minister in his address mentioned that "India will never interfere in the internal affairs of Bhutan although Bhutan is small and India a big country".

In 2007, Indo Bhutan treaty of 1949 was revised during His Majesty's visit to New Delhi. Similarly, the Indian Prime Minister Manmohan Singh in his address to the Bhutanese Parliament in 2008 said that India's regard for Bhutan remains as it was addressed by Pandit Jawaharlal Nehru. In the same vein, views have been expressed by the House and the recommendations were made by the National Council. Therefore, the Speaker expressed

his appreciation for the deliberations and the consensus of the House on the unquestionable regard for Indo-Bhutan relations. The House also expressed that it was important to express gratitude to the Government of India for all times to come without any distrust.

Further, the House acknowledged that it would benefit keeping a flexible system of whether or not to formulate such plans given the uncertainties of future. The House recognizing the recommendations made by the National Council directed the government to implement the plan as per and these recommendations and the provisions of the Constitution.

The deliberations on the recommendations made by the National Council on Supplementary Budget Appropriation Bill for the Financial Year 2013-14 concluded on the February 13, 2014

(14th Day of the 12th Month of Water Female Snake Year corresponding to February 13, 2014)

XV. RATIFICATION OF TRADE AND ECONOMIC COOPERATION AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF THAILAND AND THE ROYAL GOVERNMENT OF BHUTAN

The Minister for Economic Affairs moved the motion to ratify the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan. The House adopted the Agreement for discussion with the show of hands. Submitting the background of the Agreement, it was mentioned that the bilateral relationship between Government of the Kingdom of Thailand and the Government of Bhutan is strengthened with each passing year. This is fostered by His Majesty's visit to Thailand and meeting with the King of Kingdom of Thailand and the government leaders. Moreover, both the nations have similar religious and political features.

The main objective of the cooperation agreement is to enhance bilateral trade, commerce and investment between the two countries. It is also expected that the agreement would further strengthen the trade and economic cooperation between the two countries on the principles of equity and mutual benefits. It would also keep in vire the provision of Article 1 on Trade, Commerce and Investment of the Comprehensive Framework Agreement for Cooperation between the two nations.

The principles enshrined in the Agreement are as envisioned in the Trade Agreement entered by the Foreign Ministers of the two nations in 2004, wherein it was mentioned that a Bilateral Trade Agreement shall be concluded in the near future between the two nations. Accordingly, the Minister for Economic Affairs of Bhutan and Thailand, signed the Agreement (English text) on 14th November 2013, in the presence of the Prime Minister of Bhutan and Thailand in Bangkok.

Expressing his opinion, Pangbang constituency member submitted his appreciation for the principle and objective of the Agreement and also of the clause wherein it is mentioned that the parties shall trade as per their national laws. He also urged the importance of developing means for increasing export to Thailand to expand business. Conveying the message from the people who are in the micro business, he also submitted that the prerequisite of \$3,000 annually to import things from Thailand be increased.

Bartsham-Shongphu constituency member appealed that though the Agreement is duly signed by both the nations, Article 4 wherein it is provided that each party shall be exempt in accordance with its national laws and regulations in force in its respective country, certain goods from duties, taxes, and/or other duties upon their importation subject to re-exportation be amended. To which, the Minister for Economic Affairs responded

that Agreement does not provide detailed provision, however in accordance with the Framework Agreement, as and when required ,Preferential Trade Agreement or Free Trade Agreement shall be proposed in the future.

Deliberating the Agreement clause by clause, few Members pointed out the need to improve the translations, and the title of the Agreement in the Dzongkha text be corrected as per the English text of the Agreement. The House accordingly resolved that the same corrections be inserted as and where required in other Articles in the text.

The Trade and Economic Cooperation Agreement with the Government of Kingdom of Thailand and the Government of Bhutan was ratified with 37 Member members voting ‘Yes’ and 3 Member voting “No” while 1 member abstained from a total of 41 members present.

(15th Day of the 12th Month of the Water Female Snake Year corresponding to February 14, 2014)

XVI. REPORT BY THE FINANCE MINISTER ON THE STATUS OF THE WORKING OF THE PAY COMMISSION

The Finance Minister reported on the status of the working of the Pay Commission which was established in accordance with the resolution of the First Session of the Second Parliament. The seven member Commission chaired by the Chief Executive Officer of the Druk Green Power Corporation was established on November 13, 2013.

In accordance with the Section 2 of the Article 30 of the Constitution of the Kingdom of Bhutan, the Commission was given the task to recommend to the Government revision in the structure of the salary, allowances, benefits and other emoluments of the civil servants and Local Government, the Judiciary, Members of the Parliament, Constitutional Offices and other public servants considering on the current economic situation of the country.

The Pay Commission was directed to look at the following:

- 1) Introducing Housing allowance for civil servants;
- 2) Revising the benefits and other allowances to the Local Government officials;
- 3) Introducing rural posting allowance for civil servants, especially teachers;

- 4) Reviewing the foreign service entitlement rules;
- 5) Reviewing the feasibility and implication of discontinuing the government pool vehicle system and replacing it with a system of allowance;
- 6) Lifting the pool vehicle quota for all civil servants and alternative thereto; and
- 7) Reviewing the recommendations of the First Parliament with regard to the revised pay scale for the Prime Minister and Ministers.

The pay commission took into consideration the following four principles while reviewing and drawing up the recommendations:

- i. Due regard to the sustainability of the economic condition of the country;
- ii. Be mindful of the spiraling effect on the salaries of the private, corporate and other sectors in the country;
- iii. Take into consideration the impact of the recommendations on the on inflation, reserves and balance of payments; and
- iv. Considered ways to inculcate a culture of savings and investments among the public servants.

It was reported that the Pay Commission has not only held consultations with the relevant Ministries and Departments but have also created a website to gather public opinions. Although, the Pay Commission report was scheduled to be submitted to *Lhengye Zhungtshog* on 12th February, 2014 it could not be submitted on time because of the poor economic conditions, moreover the members of the commission were also involved in the revision of tariff for the Chukha Hydro Power.

The Finance Minister informed the House that with the revision of tariff of 25 Chhetrum on the existing Nu. 2 per unit of electricity beginning from January 2013, the country would receive an annual income of Nu, 450 million. The revision of tariff is for a period of four years and the agreement will be completed in 2016.

The Finance Minister submitted that with the extension granted by the government the Pay Commission would submit its report to the Cabinet on 12 March, 2014 and then submit it to the 3rd Session of the Parliament after the government reviews the report.

The Finance Minister acknowledged that all the civil servants were expectantly waiting for the Pay Commission report and requested the civil servants to bear with the delay. He explained that the Commission could not complete the task on time because of the enormity of the task and had sought for time extension from the government.

The House felt that further deliberation on the report was not required since the report would be submitted in the 3rd Session of the Second Parliament. However, some of the Members led by the Leader of the Opposition said that during the campaign, the ruling or the opposition both had equally promised pay revision for civil servants and entitlements for members of the Local Government. However, other political parties had fixed a time frame for the establishment of the Pay Commission and for pay revision. The members felt that the present problem could have been avoided if the People's Democratic Party had established the Pay Commission within the first week as pledged.

It was submitted that, the Pay Commission should submit the report to the Cabinet in accordance with Article 3 Section 3 of the Constitution of the Kingdom of Bhutan. The Cabinet could then decide on the pay hike and seek Parliament's endorsement in the 3rd Session.

The Minister for Home and Cultural Affairs and some members from the ruling government said that, all the political parties had promised similar pay revision during the 2013 Election. They said that the government is aware of the pressing need for pay increment for the civil servants and members of the Local Government because of the increasing inflation and commodity prices.

Therefore, the government had established the Pay Commission immediately after it came into power. However, Members said that, since the Local Government and the civil servants were apolitical, in future a system should be established where the pay revision could be carried out in accordance with the inflation rate in the economy without the political parties having to make such pledges regardless of whichever party came to power.

Although the Pay Commission has been established as pledged by the People's Democratic Party, there has been some delay due to the economic conditions of the country and also because of the need to thoroughly review the taxation and vehicle quota system.

It was also submitted Article 30 Section 3 of the Constitution of the Kingdom of Bhutan stipulates that, "*The recommendations of the Commission shall be implemented only on the approval of the Lhengye Zhungtshog and subject to such conditions and modifications as may be made by the parliament.*" In addition, Section 2 and Section 3 of Article 14 of the Constitution of Bhutan mentions that, "Consolidated Fund", must be utilized in accordance with the laws. Therefore, the decision of the Cabinet on the recommendations of the Pay Commission without the approval of the Parliament would lead to a breach of the provisions of the Constitution.

The House was reminded that despite the Members having individual rights to freely discuss and submit one's opinions, it was imperative to hold deliberations mutually to uphold the peace and harmony in the community and the country. It was also submitted that there was a delay in the submission of the report considering the economic and financial conditions in the country.

Further, it was reported that when the Government took over, the consolidated fund stood was at Nu. - 5,816 million excluding the debts for Hydro Power Projects. The House was also reminded to keep in mind debt repayment and the financial scenario of the country during such discussions. The government has prioritized the pay revision for the civil servants and Local Government and hoped for its success.

The House had received a report regarding the extension of date submission of report to the Cabinet. The House reminded that although the report has not been submitted the House during its deliberation should not only focus on the pay revision but should also consider improving and reviewing the current economic conditions of the country for its sustainability. The House resolved that the report would be discussed in the 3rd Session as per law.

(18th Day of the 12th Month of the Water Female Snake Year corresponding to February 17, 2014)

XVII. RATIFICATION OF RESOLUTIONS

The draft resolutions of the Second Session of the Second Parliament were read out to the Members in four sittings by the Secretary General. The last reading of the resolutions was done on February 18, 2014 and there were no objections or corrections from the Members.

(18th Day of the 12th Month of the Water Female Snake Year corresponding to February 18, 2014)

XVIII. CLOSING CEREMONY

18.1. MOTION OF THANKS

On behalf of the ruling party, Minister for Works and Human Settlement, Dorji Choden offered and expressed immense gratitude to their Majesties for attending the Closing Ceremony of the Second Session of the Second Parliament. On behalf of all the people and Members of the Parliament, she expressed deep gratitude to His Majesty the Druk Gyalpo for His tireless and selfless efforts rendered for the benefit of the Tsa Wa Sum. She also said that His Majesty has always showered the Bhutanese people with the immense love and compassion and provided guidance for the conduct of successful second parliamentary session.

She said that the tragic fire incident which destroyed the Wangdue Phodrang Dzong has been a cause of sorrow to all Bhutanese people. However, if we closely analyze the situation it has created an opportunity to build an even stronger and stable Dzong. She expressed her deep gratitude to His Majesty the Druk Gyalpo for commanding the restoration of the Dzong to its former glory and for providing financial support. Further, Her Majesty the Gyaltsuen personally visited the site for the reconstruction and offered prayers for the success of the restoration project. The Minister also expressed deep gratitude to His Holiness the Je Khenpo for presiding and performing inauguration rituals for the reconstruction of Wangdue Phodrang Dzong.

She further thanked His Majesty the Druk Gyalpo for introducing the Desup Programme under his wise guidance. In addition to the civil servants and the youth participating in the program, the teachers were introduced in the 10th Desung Programme. This would greatly help in strengthening the security and sovereignty of the country and render help in times of emergency situations.

The Minister also expressed her gratitude to their Majesties for visiting the Eastern Dzongkhags and celebrating Chuneial Losar with the people of eastern Dzongkhags giving the people of the east a memorable opportunity. While visiting one of

Mongar's remote place of Salambi their Majesties granted Kiduto 233 students who have been included in the Gyalpoi Tozey scheme to help them continue their education and to 36 impoverished elderly people who have no one to care for them. The Minister expressed deep appreciation to His Majesty the Druk Gyalpo and Gyaltsuen for personally visiting the people to look into the plights of the people and granting them kidu at their doorsteps.

The Minister recalled His Majesty the Druk Gyalpo's coronation address to the nation in 2008 wherein His Majesty said that "I will never rule you as a King. I will protect you as a parent, care for you as a brother and serve you as a son." She submitted that the golden words and noble actions of His Majesty the Druk Gyalpo truly portray the qualities of a people's King.

The Minister also expressed her appreciation to His Majesty for initiating the Winter Youth Engagement Program in Gyalpoishing for 411 girls who come from under privileged family backgrounds. She said that the program has inspired our young girls. Since the Minister herself being the Chairperson of National Commission for Women and Children (NCWC) she shared her determination to create gender equalities through that. On behalf of the people from Mongar, Tashigang and Trashiyangtse, she also expressed immense gratitude to His Majesty for granting land related kidu to almost 13,845 citizens.

His Majesty has granted kidu to 26,166 people in three Dzongkhags and about 76,531 people in ten Dzongkhags. His Majesty also appointed His Highness Dasho Jigme Dorji Wangchuck as His representative to look after the welfare of the people eastern Bhutan. This very precious gift, has given the people in the Eastern Dzongkhag profound joy and happiness. This noble initiative of His Majesty is the manifestation of his vision for taking every Bhutanese people forward into the threshold of development along the paradigm of balanced regional development.

His Majesty also visited Sherubtse College and met with the teachers and students. His Majesty inspiring Sherubtseans through His inspiring and wise words, which would help them realize and strive for better tomorrow. She also expressed gratitude for Their Majesties for visiting India, further strengthening the existing Indo-Bhutan ties.

She reminded that the most important value that every Bhutanese must cherish is the peace that we are enjoying and our country's sovereignty, bestowed upon us by our selfless and wise leaders. Even from here onwards, it is our duty to preserve our rich culture, trust and love between the King and the people, among family and friends, head and subordinates, between men and women etc. She also expressed hope that, regardless of the present government being new and despite the challenging

aims and objectives of the 11th Five Year Plan, under the wise guidance of their Majesties, the government is optimistic of successfully achieving the aims and objectives of the 11th Five Year Plan.

She also expressed gratitude to The Majesties for their guidance provided to the Lhengye Zhungtshog and various government agencies. On behalf of the ruling party she expressed gratitude and offered prayers for an everlasting peace and blissful long lives of Their Majesties and Members the Royal Family.

On behalf of the National Council, the Member from Sarpang Dzangkhang Dhan Bahadur Mongar, expressed thanks to His Majesty for granting kidu to the people irrespective of their religious faith and social status. He also shared that when Their Majesties proclaimed that the country would be governed by the elected government about years ago, the people were concerned as to who would look after their welfare.

However, His Majesty has visited every nook and corner of the country and granted land kidu to all the needy and the helpless citizens. These kidus will not only be benefitting the livelihood of the present families but will also benefit their future generations. Hence, the people remain greatly thankful to the King. Moreover, he expressed thanks and prayers for the long blissful and prosperous lives of Their Majesties for all times to come.

On behalf of the Opposition Party, the Member from Bartsham-Shongphu Constituency, Wangdi Norbu expressed his gratitude to His Majesty for gracing the Closing Ceremony of the Second Session of the Second Parliament, in spite of His Majesty's ongoing visits in the Eastern Dzongkhags. He also said that he was fortunate to embrace the great opportunity to express his gratitude to His Majesty the Druk Gyalpo.

He expressed immense gratefulness to His Majesty the King for the noble and wise actions rendered for the country and the people. He also expressed thanks to His Holiness the Je Khenpo and religious organizations for bestowing continual peace and happiness to the country and people of Bhutan. The noble deeds of His Majesty Jigme Khesar Namgyel Wangchuck can truly be regarded as the actions of Chenrezig the God of Compassion.

Further, he expressed gratitude to His Majesty the King for the generous financial support for the Wangdi phodrang reconstruction project and for visiting the site to offer prayers. Immense gratitude was expressed to His Majesty for granting kidu to the needy and elderly citizens in the country and appointing His Royal Highness Jigme Dorji Wangchuck as his representative for the Eastern Dzongkhags. This noble initiative is a great source of opportunity and pride for the people of Eastern Bhutan.

On behalf of the people of Tashigang Dzongkhag and particularly on behalf of the people of Bartsham-Shongphu constituency, he expressed their deep thankfulness to Their Majesties for visiting Tashigang Dzongkhag and granting kidu to thousands of people. In addition, thanks were also offered to Their Majesties for attending the closing programme of the Youth Festival at Gyelposhing and for awarding cash prizes to 410 students.

Further, he expressed gratitude to His Majesty for awarding medals to the senior civil servants for their long dedicated service. He also expressed appreciation to His Majesty for establishing scholarship program, Royal Institute of Governance and Strategic Studies, Chithuen Phendey (Retired Personnel Association), Gyalpoi Tozey, Bhutan Kidney Foundation and providing Citizenship.

Immense gratefulness and earnest words of thanks were also expressed to His Majesty for visiting India and meeting with the leaders of India upon the invitation extended by the President of India. The Royal visit has further strengthened the Indo-Bhutan relations and the Government of India has offered their commitment in providing support for our 11th Five Year Plan.

This generous support and commitment provided by the Government of India is attributable to His Majesty the epitome of blessings and light in dispelling the darkness in the lives of Bhutanese people. Therefore, he offered unfathomable gratitude to His Majesty for his noble actions. During the Second Session, besides the thorough discussions of bills and other important issues, the members engaged in substantive deliberations with strong spirit of check and balance. It was also reported that the Opposition Party has provided necessary and appropriate support in the interest of the nation. Further, he opined that the Opposition Party is striving to provide full support in realizing the objectives of the 11th Five Year Plan.

It was also reported that the Government has many tasks to be fulfilled during the first year of its term and hope to be fulfilled with better results in the coming years. The Opposition Party has also been offering full loyalty, cooperation and dedication, for the fulfillment of the objectives of the 11th Five Year Plan as well.

He opined that the government in its first year has been engaged mainly in preparatory works and hoped that the government would be able to achieve substantive outcomes in the ensuing years of its term. He offered the unflinching support of the Opposition Party in embracing the commands of His Majesty the King and realizing the aims and objectives of the country.

On behalf of the Opposition Party he offered tribute and congratulation to His Majesty for His Majesty's impending 34th Birth Anniversary. Moreover, he offered prayers for the continuity of Wangchuck Dynasty for posterity and long life His Majesty with earnest hope and prayer for an eternal sun of happiness and peace to shine on our country.

(19th Day of the 12th Month of the Water Female Snake Year corresponding to February 19, 2014)

18.2 CLOSING ADDRESS BY THE SPEAKER

The Speaker of the National Assembly extended warm welcome to His Majesty the King, Her Majesty the Gyaltshen, Members of the Royal Family, representative of the religious organizations, senior government officials, defense officials and international dignitaries for the concluding ceremony of the Second Session of the Second Parliament.

The Speaker said that the Second Session deliberated on important legislations such as Right to Information Bill, National Assembly (Amendment) Bill, Local Government (Amendment) Bill and Narcotic Drugs, Psychotropic Substances & Substance Abuse (Amendment) Bill 2014. In addition, the House also ratified Convention on the Recognition and Enforcement of Foreign Arbitral Awards and Trade and Economic Cooperation Agreement between the Royal Government of Kingdom of Thailand and the Royal Government of Bhutan.

Moreover, the Speaker reported that during the Second Session, the National Assembly Rules of Procedure was adopted and it is hoped to help the proceedings and meetings of the House. He expressed his hopes that with the establishment of the Pay Commission the pay structure, benefits and allowances of the public servants would be revised during Third Session of the Second Parliament.

The international community recognizing the profundity of the philosophy of GNH has declared 20th March as the International Day for Happiness. In addition, the House adopted the resolution to observe 11th November as the Gross National Happiness Day in the country in order to pay tribute to His Majesty the King. Therefore, it is crucial for the government to make arrangements to celebrate the day.

On behalf of the Parliament the Speaker expressed gratitude to His Holiness the Je Khenpo and other religious masters for organizing Kurims, Moenlam Chenmos, empowerments and oral transmissions for the wellbeing of the country and the people.

He also expressed appreciation and thanks to the friendly countries such as India, Japan, Denmark, Switzerland, Austria, Netherlands, Norway and International Organizations including the International Banks and Financial institutions for providing grant of about Nu.71 Billion for the 11th Five Year Plan.

He reminded the House that only four years and six months were left for the 11th Five Year Plan to be completed. Hence, it is imperative for the Members of Parliament and people working in the Local Government to work together in implementing the plans and to achieve substantive outcomes for the interest and benefit of the people.

The Speaker on his own behalf expressed appreciation and words of gratitude to the Prime Minister and the Members of Parliament in conducting substantive deliberation with the strong spirit of check and balances in the interest of the country and the people. He also expressed his gratefulness to the Secretary General of the National Assembly for his dedicated and hard work, other Division Heads and staffs of the National Assembly for their continued services.

Lastly, he offered prayers for the long life of His Majesty the Druk Gyalpo and the protectors of Buddha Dharma. May the teachings of peerless Buddha flourish for eternity and the Bhutanese people be showered with peace, happiness and prosperity!

(19th Day of the 12th Month of the Water Female Snake Year corresponding to February 19, 2014)

February 19, 2014

(Jigme Zangpo)

SPEAKER

XIX. DOCUMENTS DISTRIBUTED DURING THE SECOND SESSION OF THE SECOND PARLIAMENT

1. Convention on Recognition and Enforcement of Foreign Arbitral Awards
2. Trade and Economic Cooperation Agreement between the Government of Kingdom of Thailand and Royal Government of Bhutan
3. Biosafety Bill of Bhutan 2014
4. Supplementary Budget Appropriation Bill 2013-14
5. Implementation of the stimulus plan
6. Ratification of the International Convention on the Simplification And Harmonization of Customs Procedure

XX. LIST OF MEMBERS PRESENT DURING THE 2nd SESSION OF THE SECOND PARLIAMENT

1. Hon Speaker Jigme Zangpo ,Mongar constituency, Mongar Dzongkhag
2. Hon Prime Minister, Tshering Tobgay, Sombaykha constituency, Haa Dzongkhag
3. Hon Minister for Home and Cultural Affairs, Lyonpo Damcho Dorji, Goenkhatoe-Laya constituency, Laya Dzongkhag
4. Hon Minister for Works and Human Settlement, Lyonpo Dorji Choden, Thrimshing constituency, Trashigang Dzongkhag

5. Hon Minister for Foreign Affairs, Lyonpo Rinzin Dorji, Shompangkha constituency, Sarpang Dzongkhag
6. Hon Minister for Education, Lyonpo Mingbo Dukpa, Dewathang-Gomdar constituency, Samdrupjongkhar Dzongkhag
7. Hon Minister for Labour and Human Resources, Lyonpo Ngeema Sangay Tshempo, Lhamoizingkha-Tashiding constituency, Dagana Dzongkhag
8. Hon Minister for Health, LyonpoTandin Wangchuk, Athang-Theedtsho constituency, Wangdiphodrang Dzongkhag
9. Hon Minister for Communication, Lyonpo Dina Nat Dungyel, Phuentshospelri-Samtse constituency, Samtse Dzongkhag
10. Hon Minister for Finance, Lyonpo Namgay Dorji, Draagteng-Langthil constituency, Trongsa Dzongkhag
11. Hon Minister for Economic Affairs, Lyonpo Norbu Wangchuk, Kanglung -Udorong constituency, Trashigang Dzongkhag
12. Hon Minister for Agriculture and Forest, Lyonpo Yeshey Dorji, Maenbi- Tsaenkar constituency, Lhuntse Dzongkhag
13. Hon Leader of the Opposition Dr. Pema Gyamtsho, Chhoekhor-Tang constituency, Bumthang Dzongkhag
14. Hon Deputy Speaker Chimmi Dorji, Lingmu-Toedwang Constituency, Punakha Dzongkhag
15. Hon Member Tshewang Jurmi, Chhumig-Ura constituency, Bumthang Dzongkhag
16. Hon Member Dawa Gyaltshen, Bongo-Chapchha constituency, Chhukha Dzongkhag

17. Hon Member Rinzin Dorji, Phuentshogling constituency, Chhukha Dzongkhag
18. Hon Member Karma Dorji, Drukjeygang-Tsez constituency, Dagana Dzongkhag
19. Hon Member Pema Drukpa, Khamaed-Lunana constituency, Gasa Dzongkhag
20. Hon Kinley Om, Bji-Kar-Tshog-Uesu constituency, Haa Dzongkhag
21. Hon Member Karma Rangdol, Gangzur-Minjei constituency, Lhuentse Dzongkhag
22. Hon Member Ugyen Wangdi, Dramedtse-Ngatshang constituency, Mongar Dzongkhag
23. Hon Member Rinzin Gamtsho, Kengkhar_ Weringla constituency, Mongar Dzongkhag
24. Hon Member Kezang Wangmo, Dokar-Sharp constituency, Paro Dzongkhag
25. Hon Member Khando Wangchuk, Lamgong-Wangchan constituency, Paro Dzongkhag
26. Hon Member Zangley Dukpa, Khar-Yurung constituency, Pemagatshel Dzongkhag
27. Hon Member Choida Jamtsho, Nganglam constituency, Pemagatshel Dzongkhag
28. Hon Member Dechen Zangmo, Nanong- Shumar constituency, Pemagatshel Dzongkhag
29. Hon Member Dopu Dukpa, Kabisa-Talog constituency, Punakha Dzongkhag

30. Hon Member Pelzang Wangchuk, Jomotshangkha-Martshala constituency, Samdrupjongkhar Dzongkhag
31. Hon Member Tek Bahadur Subba, Dophuchen-Tading constituency, Samtse Dzongkhag
32. Hon Member Ritu Raj Chhetri, Tashichhoeling constituency, Samtse Dzongkhag
33. Hon Member Madan Kumar Chhetri, Ugyentse-Yoeseltse constituency, Samtse Dzongkhag
34. Hon Member Gopal Gurung, Gelegphu constituency, Sarpang Dzongkhag
35. Hon Member Kinga Tshering, North Thimphu constituency, Thimphu Dzongkhag
36. Hon Member Yeshey Zimba, South Thimphu constituency, Thimphu Dzongkhag
37. Hon Member Wangdi Norbu, Bartsham-Shongphu constituency, Trashingang Dzongkhag
38. Hon Member Jigme Wangchuk, Radhi- Sagteng, Trashigang Dzongkhag
39. Hon Member Karma Tenzin, Wamrong constituency, Trashigang Dzongkhag
40. Hon Member Dupthob, Boomdeling-Jamkhar constituency, Trashiyangtse Dzongkhag
41. Hon Member Sonam DondupDorjee, Khamdang-Ramjar constituency, Trashiyangtse Dzongkhag
42. Hon Member Nidup Zangpo, Nubi-Tangsibji constituency, Trongsa Dzongkhag

43. Hon Member Yogesh Tamang, Kilkhorthang- Mendrelgang constituency, Tsirang Dzongkhag
44. Hon Member Novin Darlami, Sergithang-Tsirang Toed constituency, Tsirang Dzongkhag
45. Hon Member Kuenga, Nyishog- Saephu constituency, Trongsa Dzongkhag
46. Hon Member Lekey Dorji, Bardo-Trong constituency, Zhemgang Dzongkhag
47. Hon Member Dorji Wangdi, Panbang constituency, Zhemgang Dzongkhag

Annexure I

Registration of National Assembly Members for the Second Session of the Second Parliament of Bhutan and Oath or Affirmation of Office by Member from Nanong-Shumar Constituency

The Registration of the Members of the National Assembly for the Second session of the Second parliament was held on the morning of 20th Day of the 11th Month of the Water Female Snake Year corresponding to January 21, 2014. After the registration, the Members assembled in the Gyelyong Tshokhang for the administration of Oath or Affirmation of Office to Dechen Zangmo who was elected in the bye election from Nanong-Shumar Constituency conducted on November 7, 2013. The Chief Justice of Bhutan administered the Oath or Affirmation of Office in accordance with Article 10 (18) of the Constitution of the Kingdom of Bhutan.

During the ceremony, the Speaker welcomed and congratulated Dechen Zangmo on being elected as the Member to the National Assembly. The Speaker advised that once elected as the Member she should not differentiate between ruling and opposition but work to serve the country and the people in accordance with the policies and laws of the country. He also prayed for her success and well-being during tenure as a Member of Parliament. The Speaker also thanked the Chief Justice of Bhutan for finding time to come and administer the Oath or Affirmation of Office to the Member as requested by the National Assembly of Bhutan.

Annexure II.

English Translation of the Speech delivered by the Speaker during the Opening Ceremony of the 2nd Session of the Second Parliament

(22nd January, 2014)

1. The historic Second Session of the Second Parliament commences today on this auspicious day. We are greatly honored by the presence of His Majesty the Druk Gyalpo, the epitome of our leadership and guidance. Therefore, I on behalf of the Parliament and on my own behalf with deep reverence would like to welcome His Majesty to this Opening Ceremony.

I would also like to welcome the Members of the Royal Family, members of the religious organizations, international dignitaries, senior government officials and Members of the Parliament.

2. The House, in this session will, debate on the following Bills;
 - 1) Right to Information Bill;
 - 2) Bio-Safety Bill;
 - 3) The National Assembly (Amendment) Bill;
 - 4) Local Government (Amendment) Bill;

- 5) Bhutan Narcotic Drugs & Psychotropic Substances (Amendment) Bill. The amendments of Bills are proposed in accordance to the resolution of the First Session. It is aimed at updating and developing consistency in the various legislations.
3. It is crucial that the deliberations on the Bills are conducted based on the Rules of procedures. Therefore, any new Bills or Amendment Bills tabled in this session will be delegated to the relevant Committees for review after the First and Second Readings, which will be passed in the next session after the Third Reading based on the report of the Committees. This is aimed at providing adequate time for the Committees to review the Bills and enable the House to engage in substantive deliberation in passing an Act entailing uniform provisions of the Bills and reap the benefit of not having to resort to frequent amendments. Therefore, we would like to request the Ministries and agencies to submit the Bills to the Secretariat one or two months before the session.
4. The Ministry of Works & Human Settlement will submit a report on the study conducted for the amendment need of the Tenancy Act 2004 as submitted during the First Session. The Minister for Home & Cultural Affairs

would also present a report on the entitlements of the Local Government Officials to the House in this session. I would also like to inform that the Pay Commission has been instituted as per the directives of the government in order to revise the salary of the civil servants. Thus, the deliberations will be held on the findings of the review carried out by the Pay Commission.

5. The various Committee reports prepared based on the resolutions of the First Session would also be tabled in this Session. Further, the House will deliberate and ratify the Trade and Economic Cooperation Agreement between the Government of the Kingdom of Thailand and the Royal Government of Bhutan and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.
6. Despite more than five years of Parliamentary democracy, the Rules of Procedure of the National Assembly has not been adopted. Therefore, it is imperative to adopt Rules of Procedure in this session for the smooth and efficient conduct of businesses of the House.

7. Upon the invitation of the President of India, His Majesty the Druk Gyalpo and Her Majesty the Gyaltshen visited New Delhi on 6th of January, 2014. During the visit, Their Majesties met with the President, Prime Minister of India and the Opposition Leader of Rajya Sabha and other Senior Officials. The commitment of the Government of India and their continued support in our Socio-Economic development and hydro-power development projects expressed during Their Majesties' visit is the testimony to the further deepening and strengthening of existing relations between India and Bhutan. For this, the Parliament would like to express our sincere gratitude His Majesty the Druk Gyalpo.

8. Their Majesties were the first State Guests in 10 years to be hosted at the newly refurbished Guest Wing of Rashtrapati Bhavan. This is indeed a matter of great pride and honour for all the Bhutanese people. Therefore, the Parliament of Bhutan would like to thank the Government of India for according great respect and honour to Their Majesties.

9. I would like to express my deepest gratitude to His Holiness the Je Khenpo for initiating numerous religious activities for the benefit of the world at large and in

particular for the benefit of our country and for all the sentient beings. Further, I would also like to express my gratitude to Lama Namkhai Nyingpo, Dzongsar Jamayang Khentse and other religious leaders for organizing prayers & blessing ceremonies in Phuentsholing and many other places.

10. As per the resolution of the previous Parliament, the Parliament of Bhutan participated in the 129th Inter-Parliamentary Union (IPU) Assembly and joined the IPU as its 163rd Member. Along the sidelines of Assembly, my delegation also had opportunity to meet with the Speaker of Swiss Parliament, Officials of the Swiss Development Co-operation, HELVETAS, Officials of Swiss Local Governments and the Red Cross. These meetings would go a long way in strengthening our relations and pave way for a greater relations and co operations between Bhutan & Switzerland.
11. Similarly, a delegation from our Parliament also participated in the 7th Conference of the Association of the SAARC Speakers and Parliamentarians convened in the Republic of Maldives.

12. The conference focused on the capacity building of the parliamentary institutions and resolved to establish a South Asia Association of Women below 40 years and also resolved to establish similar Association for men below 40 years. This initiative was aimed at encouraging greater youth participation in the political affairs and the Association would meet once a year.

13. I would like to inform the House that the 8th Conference of the Association of SAARC Speakers and Association was resolved to be convened in Sri-Lanka in 2014. I would also like to inform the House that the 9th Conference of the Association is scheduled to be convened in Bhutan in 2015. As the other SAARC member countries have already hosted the conference more than once, it was imperative to host at least once in our country. As His Majesty the Fourth Druk Gyalpo is the pioneer of establishing the SAARC, it was decided to host the conference in our country coinciding with the Birth Anniversary of His Majesty the Fourth Druk Gyalpo.

14. Lastly, it is hoped that the Second Session would be successful with the blessings of Triple Gem, grace of His Majesty the Druk Gyalpo, Members of the Royal Family and the collective merit of the Bhutanese people. We offer

our prayers for the long life and fruitful endeavors of His Majesty the Druk Gyalpo, Members of the Royal Family and the Dharma propagators. We hope and pray for the peace, prosperity and happiness to prevail in our country.

Kadinche!

Annexure III

English Translation of the Speech delivered by Hon Speaker during the concluding ceremony of the 2nd Session of the Second Parliament

(19th February, 2014)

1. The Second Session of the Second Parliament concludes today on this very auspicious day. His Majesty's gracious presence in this concluding session despite ongoing visit to the eastern Dzongkhags meeting with people, students and granting land Kidu is the testimony of his deep concern and support for the Parliament. Therefore, I on behalf of the Parliament and on my own behalf would like to express our deepest reverence and welcome His Majesty to this concluding ceremony.

Similarly, on behalf of the House, I would like to extend warm welcome to Her Majesty the Gyaltsuen, Members of the Royal Family, representative of the religious organizations, senior government officials, defense officials and international dignitaries.

2. In this session, the House deliberated on important legislations such as Right to Information Bill, National Assembly (Amendment) Bill, Local Government

(Amendment) Bill and Narcotic Drugs, Psychotropic Substances & Substance Abuse (Amendment) Bill 2014. In addition, the House also ratified Convention on the Recognition and Enforcement of Foreign Arbitral Awards and Trade and Economic Cooperation Agreement between the Royal Government of Kingdom of Thailand and the Royal Government of Bhutan.

3. In line with decentralization policy the Local Government leaders have been shouldering their principal responsibilities in serving the interest of the people. However, the entitlements and emoluments of the Local Government leaders are not commensurate to the roles and responsibilities they shoulder. Therefore, in recognition of this matter, it was imperative to deliberate the Local Government Entitlement Bill.

However, the Local Government leaders have been rendering effective services to the people. In order to further motivate the Local Government leaders and to attract experienced and qualified candidates in the Local Government elections, the House has extensively deliberated the on the Bill and transmitted to the National Council and Legislative Committee. It is hoped that this Bill would be endorsed in the next session.

4. Recognizing the problems of public servants, the government formed the Pay Commission and directed it to review not only the pay and allowances but also to study the housing allowance, difficulty allowance, teaching allowance, foreign allowance, pool vehicle system, vehicle import quota in conjunction with the general economic conditions of the country. Since the Pay Commission in their exercise has to study host of other related issues and country is going through unfavorable economic situation, it was imperative for the Pay Commission to take longer period in their review and finalizing the report. The Pay Commission is hereby urged to expedite their review. Therefore, it is hoped that the pay and allowances of the public servants would be revised during third session of the Parliament. It is hoped that the government develop a pay and allowances revision mechanism or system without having to depend on the political parties.

5. Since there was no Rules of Procedure for the conduct and business of the House, the National Assembly after extensive deliberations in this session adopted its Rules of Procedure. It is hoped that this Rules of Procedure would not only contribute to the effective conduct of its business but also help in ensuring efficient enforcement of Ethics and Code of Conduct of the Members.

6. With the endorsement of new legislations and amendments of the Acts, it is imperative for the ministries, departments and agencies to enhance the capacity of the existing human resources through trainings and new initiatives rather than establishing new departments to execute the mandates of the new legislations.
7. His Majesty's noble initiative in establishing Desung cadre is a great example to emulate. This initiative has enabled more than thousand youth and civil servants to participate in the Desung training and render their services in addition to their regular jobs during the public gathering for religious activities. The Desung has also been able to assist armed forces and civilians in the emergency situation during natural disasters. Similarly, the civil service could emulate this noble initiative in maintaining small, compact and efficient civil service in shouldering important responsibilities in the service of the nation.
8. Our country has witnessed sustained socio-economic development based on the profound philosophy and policy of Gross National Happiness propounded by His Majesty the Fourth Druk Gyalpo. Therefore, the international community recognizing the profundity of this philosophy has adopted the Gross National Happiness as the 9th Millennium Development Goal and declared 20th March as the International Day for Happiness.

9. The profound philosophy of Gross National Happiness emanated from the mind treasure of His Majesty the Fourth Druk Gyalpo. The House adopted the resolution to observe 11th November the birthday of His Majesty as the Gross National Happiness Day in the country in order to pay tribute to His Majesty. Therefore, it is crucial for the government to make arrangements to celebrate the day.
10. The Parliament would like to express sincere appreciation and gratitude to His Holiness the Je Khenpo and other religious masters for organizing Kurims, Moenlam Chenmos, empowerments and oral transmissions for the well being of the country and the people.
11. His Excellency the Prime Minister submitted that the friendly countries such as India, Japan, Denmark, Switzerland, Austria, Netherlands, Norway and international organizations including the International Banks and Financial institutions in total has provided grant of about Nu. 71 billion. The House would like to express its appreciation to these countries and institutions.
12. The generous grants and aids received from our development partners is firstly attributable to the guidance and leadership of His Majesty and secondly to

the excellent performance of the Prime Minister, Cabinet Ministers, Civil Servants and the Ambassadors. Therefore, the Parliament would like to express its appreciation for mobilizing such grants from various countries and the international organizations.

13. Further, the House approved supplementary budget of Nu. 4,200.00 million as a part of the Economic Stimulus Plan of the government. It is hoped that this plan would benefit the people. The National Assembly also engaged in extensive deliberations on the four important recommendations made by the National Council pertaining to the Supplementary Bill expressing their concerns on the security and sovereignty of the country and happiness of the Bhutanese people.
14. Despite unfavorable economic condition in the country, the government has continued to strive in addressing youth unemployment problem and embrace austerity measures by cutting wasteful expenditures. Gauging by the report on these matters, it felt that such initiatives would greatly benefit the country and the people. To this, the Parliament would like to express its appreciation to the government.

15. One of the important issues is to recognize that only four years and six months are left for the 11th Five Year Plan to be completed. Therefore, it is of paramount importance for the Members of Parliament and people working in the Local Government to collaborate in implementing the plans and achieve substantive outcomes for the interest and benefit of the people.

16. The successful conclusion of the Second Session of the Second Parliament is primarily attributable to the noble guidance of His Majesty the Druk Gyalpo. We are immensely grateful to His Majesty the Druk Gyalpo and Her Majesty the Gyaltshen for gracing this closing ceremony upon the request of the Parliament despite Their Majesties' ongoing visit to the eastern Dzongkhags. It is also due to the hard work and dedication of Prime Minister and the Members of Parliament in conducting substantive deliberation with the strong spirit of checks and balances in the interest of the country and the people. I would like to express my appreciation for the support and cooperation rendered during the session. Further, I would also like to express my appreciation to the Secretary General of the House and his dedicated and hard working Secretariat staff for their unflinching service to the House.

17. Lastly, from the feet of the glorious golden throne, let us all together offer our prayers for the long life of His Majesty and the holders of Buddha Dharma. May the teachings of peerless Buddha flourish for eternity and the Bhutanese people be showered with peace, happiness and prosperity!

Kadinche!!!

RESOLUTIONS ON BILLS
SECOND SESSION OF THE SECOND PARLIAMENT

I. NATIONAL ASSEMBLY (AMENDMENT) BILL 2014

The Member of Tashichholing constituency, as the Member-In-Charge of the Bill, presented the National Assembly (Amendment) Bill 2014 Bill for the first reading and adoption for discussion on the 24th Day of the 11th Month of Water Snake Year corresponding to 27th January, 2014. He submitted that amendment is as per the direction of the House whereby the motion to amend the relevant provisions pertaining to the resignation of an elected member in the National Assembly Act 2008 was moved in the first session of the Second Parliament and the Legislative Committee was directed to review and report in the Second Session. Abiding by the direction of the House, the Legislative Committee reviewed and those provisions which need amendment are inserted under the amendment bill, which is tabled for adoption for discussion. The House adopted the Bill for discussion with the show of hands.

During the Second reading of the National Assembly (Amendment) Bill, the Member-In-Charge submitted the following:

1. That to strengthen democracy it is important to allow an elected member of parliament to tender voluntary resignation but in the event an elected member

tenders voluntary resignation prior to assuming his responsibilities, it would incur huge loss to the government and also lose the confidence, trust and respect of the people. In light of this, it becomes necessary to insert provisions to avoid such incidents in future.

2. Apart from the legislative functions, one of the most significant functions of the parliament is to ensure that revenues of State shall be implemented fairly. And to achieve this, new provisions are inserted noting the importance of the members of parliament to participate in allocation and expenditure of funds from the consolidated fund.
3. It is also observed that the National Assembly Committee Act of the Kingdom of Bhutan 2004 and the Speakers Act of the National Assembly of Bhutan 2004 are redundant and there are implementation issues against the Constitution and existing legislations. In view of this, these two Acts are repealed and the important provisions are incorporated in the National Assembly (Amendment) Bill 2014.

The Member of Drametshe-Ngatshang constituency submitted that the National Assembly Committee Act of the Kingdom of Bhutan 2004 was enacted with the aim for the establishment of the Legislative Committee and Public Accounts Committee prior to the parliamentary democracy. Along with time, the number and accountability of the committees have changed and the provisions of the Act cannot cover these aspects, so an amendment becomes necessary. Concerning the Speakers Act, a majority of the provisions are covered by the Parliamentary Entitlements Act and the National Assembly Act, thus the two Acts are repealed and the important provisions are incorporated in the National Assembly (Amendment) Bill. Following the submission, the Hon Speaker opened the floor for eliciting opinions.

The Member of Wamrong constituency expressed dissatisfaction on the clause whereby an elected member who submits voluntary resignation before assuming his responsibilities shall refund the campaign fund amounting to Nu. 130,000/- , received for the general election from the Election Commission citing that the penalty is relaxed. Further he also mentioned that the State incurs Nu. 20 million per each constituency for conducting elections.

Moreover, it is important to insert provisions barring the member from taking part in the subsequent elections in addition to refunding the campaign fund amounting to Nu. 130,000/-. The Members also reminded that the laws and policies have to be drafted keeping in view the welfare of the State and strengthening the laws for now and the future.

The Members also pointed out that if the resignation clause is not stringent, it may occur that in future where there may be 24 members in the ruling party and 23 members in the opposition party, the government would be dissolved if that one person in the ruling party decide to resign prior to assuming his responsibilities. The member of Drujeyyang-Tseza constituency proposed that the resignation clause has to be strengthened keeping in view the rights of the people not just confining to fundamental rights of one or two people. With this submission concluded the second reading of the Bill.

The Deputy Chairperson of the Committee moved the motion for the Third Reading of the National Assembly (Amendment) Bill of Bhutan, on the 27th Day of the 11th Month of the Water Female Snake Year corresponding to January 28, 2014. The House deliberated on the Bill from January 28-29, 2014 and made the necessary amendment.

The Legislative Committee moved the motion to pass the National Assembly (Amendment) Bill 2014 on the 30th Day of the 11th Month of the Water Female Snake Year corresponding to January 30, 2014 at 10:15 am. Out of the 43 members present and voting 30 members voted ‘Yes’ and 13 members voted ‘No’.

In his dissenting opinion, the member of Drametshe-Ngatshang constituency submitted that the National Assembly (Amendment) Bill 2014 was proposed by the Legislative Committee considering the need to amend Section 240. However the section was repealed, defeating the purpose of the amendment of the Act. He also expressed his dissatisfaction with the voting procedure on Section 240 of the Bill.

II. LOCAL GOVERNMENT (AMENDMENT) BILL 2014

The Member of Limukhang-Toewang constituency, as the Member-in-charge of the Bill, presented the National Assembly (Amendment) Bill 2014 Bill for the first reading and adoption for discussion on the 24th Day of the 11th Month of Water Snake Year corresponding to 27th January, 2014. The submission is made following the motion that was moved in the First Session of the Second Parliament that some provisions in the Local Government Act of Bhutan 2009 are inconsistent with the Constitution whereby the Legislative Committee was directed to review and report to the Second Session. As resolved by the House, the Legislative Committee reviewed and the clauses that need amendment are incorporated in the Amendment Bill which is tabled for the adoption. The House adopted the Bill for discussion with the show of hands.

During the Second reading, the Member-in-charge submitted the justifications for amending the classification and criteria for the establishment of Thromdes and related issues in the Local Government Act of Bhutan 2009.

1. It was also submitted that laws and policies have to be drafted as provided in the Constitution and the Constitution provides for Dzongkhag Thromde and Dzongkhag YenlhagThromde. The clauses on

the types of Thromde and criteria for the establishment of Thromde in the Local Government Act 2009 are inconsistent with the Constitution.

2. To promote the socio economic development in the society and to enable the people in the Thromde to participate directly in the development and management of the social economic wellbeing, it is important to establish Dzongkhag Thromde and Dzongkhag Yenlag Thromde in all the twenty Dzongkhags.
3. He also highlighted the challenges faced while providing timely services to the people because of not having Dzongkhag Thromde and Dzongkhag Yenlag Thromde in the majority of the Dzongkhags as mentioned in the Local Government Act, burdening the Dzongkhag Administration with Thromde related responsibilities.
4. If Dzongkhag Thromde and Dzongkhag Yenlag Thromde are established in all the Dzongkhags as enshrined in the Constitution, it would solve the unemployment problem and moreover it would curb the rural urban migration. Following the submission, the Hon Speaker opened the floor for eliciting opinions.

The Leader of the Opposition Party emphasized on the importance to strengthen the Local Government. Seconding the Amendment Bill, he pointed out the need to review not only the types and establishment of Thromde but other provisions also. Further it would be beneficial if amendment is made bearing in mind to attract competent people to take part in the elections.

The Minister for Works and Human Settlement submitted that since the Local Government Act is very important, it is necessary to review clause by clause and amend the provisions that are causing obscurity amongst the different institutions because though the powers and responsibilities between the different institutions are clearly spelt out but the accountability is not clearly mentioned.

Though it is stated in the Amendment Bill, that the Dzongkhag Thromde shall submit timely report to the Dzongkhag Tshogdu, however in practical it is viewed that some Thromde Tshogde have more power than the Dzongkhag Tshogdu, in terms of authority and responsibilities. It would be appreciated if the issue in terms of administration and management is properly reviewed and amended.

The Hon Speaker directed that the issues like to devising ways enable competent people to take part as Thromde Thuemi and the harmonize the Thromde related issues with the Constitution and classification and fixing of responsibility and accountability to the local government and related issues would be deliberated thoroughly during the third reading and thereby concluded the second reading.

The Legislative Committee moved the motion for the Third Reading of the Local Government (Amendment) Bill 2014 on the 8th Day of the 12th Month of the Water Female Snake Year corresponding to February 2, 2014. Accordingly the House deliberated on the 18 points from February 7-10, 2014 for two days and incorporated the amendments.

On the 12th Day of the 12th Month of the Water Female Snake Year, the House voted on the Bill. Out of the 44 members present and voting, 41 voted 'Yes' and 1 voted 'No' while 2 abstained. In accordance with Article 13 Section 4 of the Constitution of the Kingdom of Bhutan, the House passed the Local Government (Amendment) Bill 2014 at 12:09 pm.

III. BIOSAFETY BILL OF BHUTAN 2014

The Minister for Agriculture and Forests, as the Member-In-Charge of the Bill, presented the Biosafety Bill of Bhutan 2014 Bill for the First Reading and adoption for discussion on the 24th Day of the 11th Month of Water Snake Year corresponding to 27th January, 2014. The House adopted the Bill for discussion with the show of hands.

During the Second Reading, the Member-In-Charge submitted that Bhutan ratified the Convention on Biological Diversity on 25th August 1995 and the Cartagena Protocol on the 26th August 2002 and as an obligation to the protocol, the National Environment Commission developed the National Biosafety Framework which was approved by the Royal Government of Bhutan in August 2006.

With financial support from United National Environment Programme and Global Environment Facility, the National Biosafety Framework project was started in year 2010 under the Bhutan Agriculture and Food Regulatory Authority (BAFRA), Ministry of Agriculture and Forests with the objective to help Bhutan strengthen its existing institutional and technical structures and systems needed to meet the obligations of the Cartagena Protocol and to have a legal instrument in place for regulation of Genetically Modified Organisms (GMOs).

Bhutan imports majority of its food products from neighbouring countries which have active biotechnology industries and use of Genetically Modified Organism (GMOs) in the production of food products. The Biosafety Bill was drafted to address its concerns as a landlocked country with an open and porous border. Bhutan's major concern is the safety of its citizens and its environment; but at the same time, increasing food security and food self-sufficiency are critical objectives.

The Biosafety Bill therefore is important in terms of providing a legal ground for implementation of the Biosafety regulatory activities to ensure safety of people and environment while meeting food security objectives. Moreover, the Cartagena Protocol on Biosafety necessitates its member countries to have a legal instrument in place for regulation of GMOs. The Ministry of Agriculture and Forests strongly feels the timely consideration of the Biosafety Bill to enable its implementation after its enactment.

The Biosafety Bill was drafted by a National Consultant recruited under the National Biosafety Framework Project in consultation with BAFRA and other important stakeholders.

Throughout the drafting of the bill, harmonization of the existing laws such as the Food Act, the Seed Act, National Environment

Protection Act of Bhutan, the Pesticides Act etc were carried out. Additionally, an inventory of the current human, technological and institutional capacities to implement a comprehensive Biosafety management system was conducted.

The Biosafety bill was discussed during two project steering committee meeting of the National Biosafety Framework Project. The project steering committee comprises of 18 members from Ministry of Agriculture and Forests, Ministry of Economic Affairs, Gross National Happiness Commission, Office of the Attorney General, Ministry of Health, Ministry of Finance, Royal Society for the Protection of Nature and Bhutan Chamber of Commerce and Industry.

Two Stakeholders meeting was conducted to discussed the Biosafety Bill. An International Consultant was filled-in to review the Biosafety bill. A meeting chaired by the Minister for, Agriculture and Forests was called on 7th June 2012 to finalize the Biosafety Bill. The meeting was attended by senior officials from Ministry of Agriculture and Forests and from other relevant agencies. The Biosafety Bill was submitted to the Cabinet on 21st August 2012.

The Bill was submitted to both the Houses of the Parliament, however the Parliament conveyed that no new bill shall be discussed during the last session of the parliament and as such the Biosafety bill was returned back for submission to the second session.

The bill was submitted to the Cabinet Secretariat for the second time in August 2013 to which the Cabinet Secretariat responded that the due process of RIA (Regulatory Impact Assessment) be followed prior to submitting the bill and as per the directives received the Bill comprising of eight chapters and sixty sections was thoroughly reviewed and Cabinet endorsed it during its 17th meeting. With this the second reading concluded.

IV. THIRD READING OF RIGHT TO INFORMATION BILL 2014

The National Assembly deliberated Right to Information Bill of Bhutan 2014 from 30/01/2014 to 04/02/2014 and amended the Bill as follows:

Since, the first and second Reading of the Right to Information Bill, 2014 has been deliberated in the First Session of the Second Parliament, Member In-Charge of the Bill, Minister for Information and Communication moved the motion for Third Reading of the Bill on 30th Day of the 11th Month of the Water Female Snake Year corresponding to 30th January 2014. Accordingly, on January 30, 2014 and 3rd and 4th February 2014 for three days, the House deliberated and made necessary amendments on the Bill.

On the 6th Day of the 12th Month of Water Snake Year corresponding to 4th February 2014, the Minister for Information & Communication, Member In-Charge of the Bill, moved the motion that the Right to Information Bill of Bhutan 2014 be passed and from total of 40 Members, 32 voted YES and 4 voted against and 4 abstained from voting.

In his dissenting opinion, the Member from Pangbang constituency submitted that irrespective of voting in favour of the Bill, submitted that the practice of the First Parliament whereby the Bill is accompanied with the Financial Memorandum as mentioned in Section 196 of the National Assembly Act of the Kingdom of Bhutan 2008, which states that the member shall submit to the Secretariat a copy of the Bill along with the Statement of Objects and Reasons, Memorandum regarding delegated legislation and Financial Memorandum was omitted this time. The Right to Information Bill should have been submitted with the Financial Memorandum setting out the financial estimates involved in the implementation of the Bill after its endorsement.

Expressing apprehensiveness, he submitted that the Bill contains several other provisions than those reasonable restriction enshrined in Article 7 (22) of the Constitution which may impede the achievement of the objective of the Bill. Moreover designating the Ministry of Information and Communications as the appellate body regarding the right to information and related cases is in contradiction to Article 23 of the Constitution which states that the right to initiate appropriate proceedings in the Supreme Court or High Court for the enforcement of the fundamental rights.

V. RULES OF PROCEDURES OF THE NATIONAL ASSEMBLY 2014

The Member of Chumey-Ura constituency (Chairperson of the House Committee), as the Member-In-Charge of the Bill, presented the National Assembly Rules of Procedure 2014 for the first reading and adoption for discussion on the 24th Day of the 11th Month of Water Snake Year corresponding to 27th January, 2014. The House adopted the Bill for discussion with the show of hands. The very first of many visionary initiatives taken by Third King His Majesty Jigme Dorji Wangchuck was the establishment of the National Assembly in 1953. The National Assembly was established to develop and amend laws and policies that would benefit the nation and the people and ratify international conventions.

Further with the introduction of parliamentary democracy in 2008 and the signing of the constitution, the National Assembly Act of Bhutan 2008 was enacted. Although rules of procedure were deemed necessary for carrying out the functions of the national assembly nevertheless the same could not be endorsed during the last five years. However the draft rules of procedure has been compiled by the National Assembly Secretariat and distributed to the Members for their comments.

While reviewing the rules of procedure, the House Committee felt that it is important to review the legislative and related functions, questions hour session, the submissions of petitions from the local government, moving motions and moreover the passing of the budget and related issues prior to endorsing it. In line with it, the provision providing for the establishment of the Finance Committee in the National Assembly (Amendment) Bill is also elaborately provided in the rules of procedure.

The provisions in the Legislative procedure facilitating the passage of the disputed bills between the National Assembly and the National Council in the joint sitting and the terms of reference of the committees were reviewed. Concluding the deliberation, it was submitted that the copies of the draft rules of Procedure were distributed to the Members and that the Members should deliberate bearing in the mind the national interest.

On the 7th Day of the 12th Month of the Water Female Snake Year corresponding to February 6, 2014, the Chairperson of the Committee moved the motion to deliberate the Rules of Procedure of the National Assembly 2014. The House deliberated on the Rules of Procedures for three days from February 5-7, 2014 incorporating the amendments.

The Chairperson of the House Committee moved the motion to pass the Rules of Procedures of the National Assembly 2014 on 8th Day of the 12th Month of the Water Female Snake Year corresponding to February 7, 2014. The House passed it with 41 voting 'Yes' and 1 abstaining, out of the 42 Members present and voting.

VI. FIRST AND SECOND READING OF THE LOCAL GOVERNMENT ENTITLEMENT BILL 2014

The Minister for Home and Cultural Affairs, Member In-charge of the Bill, moved the motion for leave to introduce and adopt the Local Government Entitlement Bill of Bhutan 2014 for discussion, on February, 14 corresponding to the 15th Day of the 12th Month of Water Female Snake Year of the Bhutanese Calendar. The Bill was adopted for discussion with support from the Hon Members after raising their hands.

After the Bill was adopted for discussion, the Member In-Charge moved the motion for the second reading. Hon. Minister apprised that Local Government (LG) being an autonomous institution with elected Members, their salaries and entitlements should be made equivalent to that of the Members of Parliament to attract capable individuals to participate in LG elections.

Moreover, the DSA and travel allowances while travelling on official tours in villages which take around two to three days should also be reviewed.

On that matter, Member for Panbang Constituency apprised that even though the LG Entitlement Bills is for elected Members for LG and for Gaydrungs in the definitions of the Bill, LG

Members refers to Gups, Mangmis and Tshogpas thus Dzongkhag Thromde Tshogde and Dzongkhag Yen-lag Thromde being a part of LG, it is important for Thromde Members to be included in LG Entitlement Bill. In addition he suggested the specific allowances for the Chairperson and Deputy Chairperson of Dzongkhag Tshogdu should be offered as their monthly salary after calculating in percentage similar to that of the allowances offered to the Speaker and Dy. Speaker.

Similarly, Minister for Home and Cultural Affairs stated that Dzongkhag Thromde Tshogde and Dzongkhag Yen-lag Thromde being a part of LG, it is important to include them in the Entitlement Act, thus it was discussed in the Cabinet yet it could not be reviewed because of time constraint. So, the Minister apprised that the Committee review and include the issue in the Entitlement Act.

The House on that matter agreed that His Majesty the king acknowledged Local Government as important institution; therefore Parliament should also provide adequate salaries and facilities. On the other hand, including of entitlements for Gaydrungs in LG Entitlement Bill should be reviewed according to the Constitution and the Local Government Act after which Good Governance Committee should report it in the third session.

VII. FIRST AND SECOND READING OF THE DRUGS, PSYCHOTROPIC SUBSTANCE AND SUBSTANCE ABUSE (AMENDMENT) BILL, 2014

The Minister for Health, as the Member-In-Charge of the Bill, presented Drugs, Psychotropic Substance and Substance Abuse (Amendment) Bill, 2014 for the First Reading and adoption for discussion on the 15th Day of the 12th Month of Water Snake Year corresponding to 14th February, 2014. The House adopted the Bill for discussion with the show of hands.

During the Second Reading, the Member-In-charge submitted that the incidence of drug use and abuse is causing nuisance in the society and amongst the household and to face these challenges a need for a strong legislation is felt. Though there is a prevailing Drugs, Psychotropic Substance and Substance Abuse Act, it is observed that there is difficulty in enforcing it and with no clarity in the penal provisions it poses a serious challenges to the some agencies.

The incidence of drug abuse and trafficking is increasing in the country and acknowledging it, the Government directed the Bhutan Narcotics Control Agency (BNCA) and the Office of Attorney General to review the Drugs, Psychotropic Substance and Substance Abuse act 2005 for amendment. An appeal for stricter penal provisions was submitted to the Government by the public through a petition signed by more than 13,400 people.

Recognizing that a drug dependent person as being victim of unfortunate circumstance and addiction as a disease that requires treatment, the amendment bill provides for necessary opportunities to the drug dependents to help them regain their lives and reintegrate them into the society.

The Member from Panbang Constituency extending full support for the Bill, further enquired whether the amendment Bill is to be adopted for discussion or the Drugs, Psychotropic Substance and Substance Abuse act 2005 is to be repealed and then the Bill is to be discussed as new Bill. The Member of South Thimphu constituency also raised that if the necessary provisions are incorporated in the Bill, then in the form of an amendment bill or it also suffices if a new bill is drafted and then deliberated. Further he submitted that it is imperative that for those involved in the drug abuse and trafficking, measures apart from imprisonment should be adopted.

The Leader of the Opposition Party seconded the submission of deliberating the Bill as a new Bill and that financial estimates for the implementation of the Act after the enactment of the Bill should be submitted. Following the deliberation, the Members decided to discuss the Bill as a new Bill with the show of hands.

The Hon Speaker referred the Drugs, Psychotropic Substance and Substance Abuse Bill to the Legislative Committee for deliberation in the Third Session with the direction that the Bill should be strengthened and the implementation issues should be reviewed for consistency. **(15th Day of the 12th Month of the Water Female Snake Year corresponding to February 14, 2014)**

February 14, 2014

(JigmeZangpo)
SPEAKER