

**ENGLISH TRANSLATION OF THE PROCEEDINGS
AND RESOLUTIONS OF THE 3RD SESSION OF THE
FIRST PARLIAMENT OF BHUTAN**

I. INAUGURAL CEREMONY

The 3rd Session of the First Parliament of Bhutan commenced on the auspicious 4th Day of the 5th Month of Female Earth Ox Year corresponding to June 26, 2009. His Majesty the King was received with an elaborate *Chipdrel* and *Serdrang* procession to the National Assembly Hall, followed by the traditional *Zhugdrel Phuensum Tshogpai* ceremony.

II. OPENING SPEECH BY THE SPEAKER

Today, the 24th of June, 2009, an auspicious day corresponding to the 4th Day of 5th Month of Earth Female Ox Year marks the beginning of the third session of the First Parliament of Bhutan.

Most respectfully, I on behalf of the Members of Parliament and on my own behalf, would like to welcome our destined King, His Majesty Jigme Khesar Namgyel Wangchuck, the embodiment of our collective merit, to the inaugural ceremony of the 3rd session of the First Parliament of Bhutan.

I would also like to extend greetings and welcome to the Leader of the ruling Party Druk Phuensum Tshogpa His

Excellency Prime Minister, Cabinet Ministers, Leader of the Opposition Party, Chairman of the National Council, Hon. Members of the National Assembly and National Council for attending this ceremony.

On behalf of the Parliament of Bhutan, I would like to welcome Excellencies, Dignitaries from International Agencies, Civil Servants, Defense Officials, students, other guests and all those who are watching and listening through television and radio to this opening ceremony.

I, on behalf of the Members of Parliament and on my own behalf, would like to express our profound gratitude to His Majesty for tirelessly touring and meeting people of Lhuntse and Mongar Dzongkhags in looking into their welfare.

The Members of Parliament of Bhutan would like to felicitate Smt. Miera Kumar from Congress party for assuming the post of the Speaker of the Lok-Sabha and becoming the first female Speaker in the history of Indian Parliament.

We would also like to express our appreciation to H.E. S.M. Krishna, the newly elected External Affairs Minister of Government of India for signing the agreements on Paro-Bagdora sector Druk Air route and the Nehru-Wangchuck scholarship during his two days official visit to Bhutan.

We would like to congratulate the Chairperson and Commissioners of Royal Civil Service Commission who were appointed as per the provisions of the Constitution of Bhutan. The Civil Servants are the main agents serving the people. Therefore, it is imperative that the commission strive to enhance the capacity and welfare of Civil Servants through more equity and justice.

I on behalf of the Members of Parliament would like to express our commiseration to those victims who suffered in terms of loss of lives and properties due to the flood in May in our country. The Parliament would like to offer full support to the initiatives of government in mitigating the problem.

The main issues for deliberation in the 3rd session of the First Parliament are the agendas that were submitted through Dzongkhag Tshogdus and the Hon. Members. In addition there are six new bills and six previous bills submitted by the Ministries to the House for its endorsement, among which Local Government Bill 2009 and Civil Service Bill of Kingdom of Bhutan 2009 are to be endorsed urgently.

His Majesty, the Fourth Druk Gyalpo Jigme Singye Wangchuck with the noble vision to achieve Gross National Happiness, gifted Bhutanese people with the

introduction of democracy and adoption of the Constitution. Therefore, it is extremely crucial to engage in substantive deliberations in pursuant to the provisions of the Constitution in the ultimate interest of the people.

Today, youth unemployment and poverty are the pressing problems in our country. Therefore, it has not been possible to fully realize the objectives of Gross National Happiness. It is important for the government to develop strong measures to alleviate poverty. It is felt that most of the youth resort to substance abuse due to the unemployment problem. I would like to urge government to make it possible to provide employment to all the Bhutanese people mainly the unemployed youth in the new hydro power projects like Punatsangchu and Dagachu.

Lastly, on behalf of the Members of the Parliament and on my own behalf, would like to again thank His Majesty the King, Excellencies, Dignitaries from International Agencies, Civil Servants, Defense Officials, Students and other guests for being able to grace the inaugural ceremony of the parliament.

Kadinche!

III. EXPRESSION OF APPRECIATION TO HIS MAJESTY THE KING

The Prime Minister, Chairperson of the National Council, Leader of the Opposition, Members from Lhuentse, Menjay-Gangzur, Mongar constituencies.

The Members expressed their profound appreciation to His Majesty the King for gracing the inaugural session of the third Joint Sitting of the Parliament and for the wise advice and guidance provided in the past Session which has helped achieve the aspirations of the people and the Government.

The Members also expressed their deep gratitude for granting land *Kidu* to the people in remote places since March in addition to providing medical aid and assisting the people affected by the recent floods.

By gracing the Opening Session of the Joint Session, His Majesty the King has shown his support for democracy. It is gratuitous to mention the noble deeds of His Majesty the King before and after his ascension to the Golden Throne. In order to maintain and strengthen the foundation of democracy, the people and the Government should stand united and serve the country hand in hand.

The Members said that the words of wisdom and advice of His Majesty the King will always be kept in mind

during the discussion of important matters such as the Constitution for the benefit of the *Tsa-Wa-Sum* and pledged their support.

IV. THE FIRST ANNUAL REPORT BY THE PRIME MINISTER

The Prime Minister presented the first Annual report on the state of the Nation, including legislative plans and the annual plans and priorities of the Government. A 160 paged copy of the report was also distributed.

The Prime Minister's report was structured to present the developments under the four pillars that enable the pursuit of Gross National Happiness (GNH) preceded by historical events and followed by an assessment of the state of our emerging democracy.

Historic Event

The Prime Minister reported that, among other achievements in the past year, one of the most significant moments and historic events was the signing of the Constitution of the Kingdom of Bhutan by His Majesty the King on 18th of July 2008 in the sacred hall of Trashichhodzong. He mentioned that another noteworthy historic event was the Coronation of His Majesty the Fifth Druk Gyalpo on the 8th Day of the 9th Month of the Earth Male Rat Year, corresponding to 6th November 2008. The

Coronation ceremonies and public celebrations were a huge success and impressed both the Indian Prime Minister and foreign representatives.

The year 2008 was also significant as it celebrated hundred years of institution of Monarchy in the country. The celebration was a huge success with both the Government and the private coordinating the celebration. As per the wishes of His Majesty the King and the Fourth Druk Gyalpo, a minimum capital expenditure was incurred proving long term benefits to the people.

Strengthening the First Pillar of GNH-Equitable and Sustainable Socio-Economic Development

The Prime Minister reported that out of the total internal revenue of Nu. 13, 848 million, tax revenue accounted for Nu. 5,829 million which is only 42 % of the total domestic revenue in 2007-08 and this is just enough to cover the recurrent cost. Any new capital investment is wholly dependent on the availability of external resources. It was reported that in 2008-09 Bhutan's economy was estimated to have grown by 8.1%.

The inflation rate witnessed a high of 9.3% in the third quarter of 2008 and inflation as measured by the Consumer Price Index, declined to 7.21% by the first quarter of 2009. The overall balance of payment is

projected to remain positive with gross international reserves growing by around US \$ 38 million or 6% during the year.

Bhutan's gross international reserves, both convertible currencies and Indian rupees, amounted to US \$ 663.2 million at the end of April 2009. This is estimated to cover about seven months of total projected imports. In terms of actual value of imports during the previous year, the present level of reserves is equivalent to more than 16 months of import.

In the public sector corporation, since the establishment of Druk Holdings and Investment (DHI), DHI's share of pre-tax profits from its companies increased by 8.03% from Nu. 4.8 billion to Nu. 5.1 billion

He informed, the tourism industry was most affected by the global economic crisis which saw a decline of 31.5 % in tourist arrivals in the first quarter of 2009 as compared to 2008. In order to accelerate socio-economic development and achieve self reliance the government is taking steps to maximize hydropower generation to more than 10,000 MW by 2020 to enhance domestic revenues, develop and promote Bhutan as a regional service hub for world class educational, medical and financial service industries, to promote Bhutan as a high end tourism destination for cultural wellness, spiritual and eco-tourism

and as a business center for Meetings Incentives, Conferences and Exhibitions (MICE). The government also has plans to promote Bhutan as a destination for investment in the ICT and ICT enabled service industries, to create Special Economic Zones (SEZ) in selected sites along the southern border and develop and establish Bhutan as an organic brand.

The Prime Minister informed that 23.3 % of the population is living below poverty line and that the government is formulating plans and programs to alleviate poverty. He said that the total outlay of Nu. 148 billion for the Tenth FYP is twice the size of the 9th FYP as against the projected financing requirement of Nu. 75.43 billion. An external resource of Nu. 57.09 billion have been committed and plans for allocation to necessary programs has started. He reported that the Government of India, our largest development partner has committed Nu. 34 billion, constituting 60% of the resources as compared to Nu. 17.3 billion in the previous plan. In addition to the commitment for the 10th FYP, additional commitments by the GOI amount to Nu. 227.9 billion, out of which 214.9 billion has been kept aside for hydropower projects. The commitments by other bilateral and multilateral development partners are estimated at Nu. 12.92 billion, assistance from the international financial institution

amounts to Nu. 10.2 billion of which 39% is in the form of grants and balance in the form of soft term loans.

Performance of Socio-Economic Programmes and Projects

Health

The Prime Minister presented the achievements made in the socio-economic sectors and as per the provision of the Constitution, to provide free basic health care to its citizens, the Government has prioritized the distribution of safe drinking water. Earlier statistics claim that 85% of the communities have access to safe drinking water however, many of these water supply schemes have become defunct. To remedy the problem, a nationwide survey was carried out to inventorize and determine the functional status of the Rural Water Supply Scheme (RWSS), which revealed that presently only about 69% of the RWSS are still functioning. On the basis of the findings of the survey a detailed report has been prepared and instructions issued to respective Dzongkhags for speedy rehabilitation and augmentation of the water supply schemes. Further, in order to facilitate this, the responsibility for procurement of RWSS materials was fully decentralized to the Dzongkhags. He also said that design, estimate and drawings for the following were

completed along with strengthening local capacity for their maintenance as stated below:

-166 new water supply schemes

-139 rehabilitation schemes

-31 spring protection schemes

-19 school water supply schemes

-277 water caretakers were trained in basic operation and maintenance of water supply facilities and

-55 community planning and management workshops aimed at building a sense of commitment and ownership of water supply schemes were conducted.

To improve the Health Care Services, the Government has taken both short and long term measures. Some of the short term measures are the recruitment of 22 specialist doctors from Myanmar to mitigate the present shortage of doctors in the country, a total of 18 ex medicos have been employed through a scheme to recruit retired health workers on contract basis, recruitment of class 12 passed students as nursing assistances and nurses to carry out non clinical services so that nurses can focus on their primary role as clinical care providers, 97 nursing assistants have already been posted in various hospitals after completing a two month crash course. Steps are being taken to obtain

services of volunteers in specific areas such as orthopedic, physical therapy, and nurse anesthetists on a continuing basis from organizations such as health volunteers overseas and the UN volunteers programs. To meet the persistent shortage of nurses, an Accelerated Training Programme for Nurses has been launched. The program is expected to produce 1,400 nurses by 2013 against the projected requirement of 1,534.

In the long term measures, the GOI has agreed to finance the establishment of a medical college as a separate project outside of its assistance to the 10th FYP. The proposed medical college will be established in Thimphu and the Jigme Dorji Wangchuck National Referral Hospital will function as a teaching hospital. It is expected that in the coming years, up to 50 doctors will graduate from the medical college every year, agreements has also been reached with the government of Sri Lanka to increase the number of slots for Bhutanese medical students in that country from 25 to 30 per year as well as five additional slots for the bachelors program in dental surgery. Similarly the slot for B.Sc. Nursing was also increased from 2 to 10 per year. Requests have been made to the governments of Bangladesh and Thailand for admission of Bhutanese students in their medical institutes. Institutional ties have also been established with

the Post Graduate Institute of Medical Education and Research in Chandigarh, the All India Institute of Medical Science in New Delhi and the Christian Medical College in Vellore for the admission of Medical doctors to undergo different post graduate specialization course. The Royal Government approved partial scholarship scheme for private students pursuing MBBS course in the SAARC countries and Thailand of Nu. 300,000 per year.

Similarly, to improve the local delivery of health services, a 350 bed JDWNRH complex in Thimphu, 150 bed Mongar Hospital, 20 Bed Dagapela Hospital in Dagana Dzongkhags were opened and it was made a requirement for the doctors in the Dzongkhag Hospitals to visit health centers such as Basic Health Units (BHUs) and Outreach Clinics at least once every month. Telemedicine programme at the JDWNRH is also to be established. BHUs in various hospitals have been identified for rural telemedicine projects for linking to telemedicine sites. In order to improve people's accessibility to medical facilities, efforts are being made to provide a minimum of two ambulances to every district hospital. So far, commitments have been received from various donor agencies for 17 ambulances. A few of which have already been received and government has earmarked a sum of Nu. 15 million for the procurement of six ambulances.

Furthermore, a national strategic plan for the prevention and control of STI and HIV/AIDS have been launched with regard to preventive, promotive and rehabilitative services.

Education

Similarly, to resolve the issue of declining quality of education within the tenth plan, the Prime Minister said that, the recommendations made by the Education Review Commission have been incorporated into the education sector in the 10th FYP. A policy document was prepared by the Ministry of Education to guide all actions related to education at all levels and is in its final stage of endorsement by the Royal Government. The Royal Education Council undertook a study to assess the quality of school education to identify the strengths and weakness in schools and to recommend a plan of action to bridge the capacity gaps towards creating a high performance school system. The MOE, in collaboration with the REC, is in the process of setting up “Beacon Schools”. These will be high performing schools that incorporate international best practices and act as model schools so that they have a cascading effect on other schools.

In addition, reforms and up-gradation to the school education curriculum is being made to make it more relevant to the changing times. The reforms in Maths and

Dzongkha curriculum for classes PP to III are to be completed soon. Social studies and science education curriculum is to be reformed and a needs analysis for science education has been completed. Following the development of Values Education Framework, the incorporation of values is being piloted in selected schools. Fine Art and IT education have also been incorporated into the curriculum.

Moreover, for the benefit of primary school children, it is reported that 13 schools that were closed in the past have been reopened, 33 Extended Classrooms (ECRs) have been opened, three new secondary schools have been established and six secondary schools upgraded, 13 new community schools were established in 12 Dzongkhags and two pilot projects to provide school bus services for students who have to walk long distances to school has been established and based on the result will be expanded across the country, wherever feasible.

To address the shortage of teachers, since June last year the Prime Minister reported that 572 teachers have been recruited, 52 mathematics and science teachers from India and under an agreement with the Bhutan-Canada Foundation, up to 100 volunteer teachers from Canada will be recruited every year. A program called, “ *My Village, My Responsibility*” was also launched under

which civil servants can volunteer to go on secondment as teachers in schools in their villages.

Additionally, recognizing the importance of Information Technology (IT) the government is working towards development of an IT curriculum, establish 168 computer labs and train over 4000 teachers over the next five years.

It was reported that, towards achieving the target of increasing adult literacy rate from the current 59.5% to 70 % by 2013, the following measures have been taken:

- a) Incorporation of English and Mathematics in the Non-Formal Education (NFE) curriculum.
- b) The Government increased the salary of NFE instructors from Nu. 4500 to Nu. 6000.
- c) The Continuing education program was extended to Paro and Chukha Dzongkhags besides Thimphu and the number of people enrolled in this program has increased to from just 293 in 2007 to 577 in 2008.

Similarly, to promote Bhutan as a Centre of Excellence for School Education, in 2008, there were 7444 students studying in 24 private schools in Bhutan. In line with the policy to promote Bhutan as a center for excellence in education, a proposal has been received to establish a *Knowledge City* that would consist of a cluster of a world class institution of higher professional education.

Agriculture

The Prime Minister said that the agriculture sector continues to remain the primary source of livelihood for a majority of our people and therefore the broad approach of the agriculture sector's 10 FYP programmes is based on the concept of "*One Gewog Three Products*". During the year, 292 km of farm roads and power tiller tracks were constructed and a pilot programme for outsourcing professional services, such as survey and design, was initiated in six Dzongkhags. Under the project for improvement of machinery and equipment for construction of rural agriculture roads, machineries worth US\$ 5 million is expected to be received from the Government of Japan and negotiation was also underway on the inclusion of rural bridges under the Government of Japan's grant assistance. In order to reduce the drudgery of farm labour and make farming more cost effective, he said that the Royal Government will provide farm machinery and equipment with rural based support servicing, and supplement this with training for youth in skills for farm based enterprises.

He also reported that, 141 sets of power tillers with a total value of 210 million Yen was received from the Government of Japan and was being distributed. The establishment of farm machinery support centres based on

the concept of Gewog hubs and *One Stop Service Centres* has been initiated. Furthermore, he elucidated that 185 agricultural machinery enterprises have been set up and that there are now more than 6,000 such enterprises in the country. Likewise, as many farmers are entirely dependent on cash crops for their income, a programme to revitalize horticultural development in the country was initiated wherein measures have been initiated to revive the abandoned citrus orchards and horticultural development plans for the six eastern Dzongkhags have been finalized. Further, a memorandum of understanding has been signed with Mountain Hazelnut Venture Ltd. of USA for the cultivation and production of hazelnuts on degraded lands. For livestock development, Regional Livestock Development Centres (RLDC) have been established at different strategic locations as a means of providing technical backstopping. Restocking of different river system with native fish species, establishment of Yogurt Plant, Milk Processing Unit producing Swiss cheese in addition to the traditional products of butter and cheese and improved pasture development have also been initiated. Four milk processing units have been constructed in Tsirang, Bumthang and Mongar, and 140 backyard piggery farms, 90 backyard and 45 semi-commercial poultry farms have been established across the country.

The Prime Minister reported that the second nationwide RNR Census was underway and a programme for home/nutritional gardens have been developed which is expected to benefit about 800 households. A project to compensate farmers who suffer crop losses during natural calamities has been developed, and piloting of mechanized rice production through double cropping, and the commercial productions of onion have been initiated.

Likewise, the Government in order to create and expand agriculture marketing both within and outside the country, expanded the Thimphu vegetable market accommodating more than 750 vendors. Trial marketing of early chilly from Tashiyangtse, potato from Gasa and rice from Tsirang and Sarpang has been initiated and positively received. He reported that the year saw a record export of 27,400 MT of Mandarin orange, 3,885 MT of apples, 20,974 MT of potatoes and about 4 MT of mushrooms. The total export of these agricultural products amounted to Nu. 622.5 million which is far more higher than the export value of 2007. The legalization of cordyceps harvest has generated immense benefits to people living in higher altitudes. In 2008, over 685 kilograms of cordyceps worth Nu. 95 million was auctioned. It was reported that not only auction procedures were streamlined to safeguard the potato farmers from potential drop in prices but also the

rules and regulations regarding the Farming Cooperatives and Associations is expected to be completed by June 2009.

The Royal Government intends to gradually phase out the use of chemical fertilizers and pesticides, and promote Bhutan as a purely organic brand. It was submitted that a comprehensive national Human Wildlife Conflict Management Strategy has been developed and is being implemented. Given the importance of national bio-security in the face of the increasing number of global outbreaks of diseases such as avian influenza, swine flu and other diseases, the Royal Government has initiated awareness campaigns, clinical investigations and regular disinfection of vehicles and people entering Bhutan across the southern border. The Prime Minister also reported that after the World Health Organization declared the Swine Flu (H1N1) as pandemic, all task forces and committees have been activated, response team kept on standby and health care facilities prepared.

Trade and Industry

In the industrial sector, to develop small and cottage industries a sum of US\$ 5 million has been granted as soft loan to the Bhutan Development Finance Corporation. Studies on school supplies, hospital supplies and construction materials have been initiated and are

expected to be completed by mid 2009. Feasibility studies for lemon grass oil production has also been carried out to assess the most suitable and economical way of production. The requirement for location clearance has been exempted for 31 activities to simplify licensing procedure for small and cottage scale industries and the Regional Trade and Industries office has been delegated the authority to approve such proposals. In addition to 45 small and cottage industries exempted from requirement of environmental clearance, a proposal to exempt 14 additional activities is currently under review by the National Environment Commission and 51 Industrial projects including five FDI projects have been processed and approved.

Similarly with regard to trade, it was reported that a Trade Development Bill is being drafted to provide a clear legal framework for trade. The bilateral trade agreement with Bangladesh which has expired in May 2008 is to be renegotiated and signed. Tamabil has been agreed as an additional trade route and the number of items for preferential access has been increased from 74 to 91. Trade talks are also being initiated with Nepal. The installation of POL laboratory and installation of equipments helps facilitate the control of vehicular air pollution. Contacts with spice importers of Thailand,

Singapore and Bangladesh have been established. The distribution of LPG quota to different region has been streamlined through quota allocation. The relocation of the site for dry port from Phuentsholing to Pasakha has been approved in principle. A Seal of quality and a Seal of Excellence have been designed and a website launched to establish quality standard for the handicrafts products.

With regard to Energy, the government held talks with the Indian Government and agreed to implement the development of 10,000 MW of hydropower capacity by 2020. The following 10 projects with a total capacity of 11,636 MW are:

- Punatsangchuu I- 1200 MW
- MangdeChuu-720 MW
- Punatsangchuu II-1000 MW
- Sunkosh Reservoir- 4060 MW
- Kuri-Gongri-1800 MW
- Amochhu Reservoir-620 MW
- Kholongchhu- 486 MW
- Chamkharchhu I-670 MW
- Wangchhu Reservoir-900 MW
- Bunakha Reservoir- 180 MW

In addition, to achieve the goal of “electricity for all” by 2013, tender for procurement of RE material for electrification of 24,479 households is being finalized.

Similarly, in keeping with the provisions of the Mines and Minerals Management Act 1995, it was decided that control over surface collection of minerals, stones and sand would remain with the Department of Forest in order to solve the long standing problem of mining and quarrying sector.

The Prime Minister reported that the decision to raise the daily tariff rate was deferred and Hotel Association of Bhutan agreed to refrain from increasing room tariffs in 2009. In order to encourage tourists it was decided that a discount of US\$ 20 during the peak months and US\$ 15 during other times on daily tariff from the ninth night onwards would be given. Projects to develop tourism in other areas of the country have been formulated and five generic product development areas have been identified and guidelines for meditation centers are also being developed. Similarly, the Prime Minister informed that a road classifications system was drawn up and approved by the government. A number of roads have been expanded and the government plans to provide road connectivity to those 66 Gewogs which do not have road within the 10th FYP.

Works and Human Settlements

Some of the major achievements during the year are the completion of Changlimitahng stadium, the Coronation Park and the Royal Banquet Hall in time for coronation celebrations in the capital, construction of a mini-sewer systems for Trashigang, Damphu and Gyelposhing, water treatment plant in Gelephu, water supply schemes for Samtse, Gyelposhing and Damphu, Solid waste disposal schemes for Trashigang, Gyelposhing, Samtse, Damphu and Gelephu, seven trail bridges have been completed in Zhemgang, Chhukha, Samtse, Wangdue, Thimphu, Tashiyangtse and Samdrupjongkhar during the first year of the 10th FYP. Technical support was provided in carrying out the surveys and design of 30 Trail Bridge located in various Dzongkhags. This includes the survey and design of the super structure for construction of a pedestrian cum power Tiller Bridge over Maokhola which has been completed.

With rapid population growth, there is the problem of housing shortage. The National Housing Development Corporation (NHDC) has completed 306 units of housing in seven priority Dzongkhags under the Dzongkhag Housing Project and has so far provided 1000, new residential units in urban centers facing acute housing shortages. It was reported that the government is making

efforts to solve the problem of housing and provide affordable housing to the people.

With an unemployment rate of 3.7%, it is projected that more than 93,000 job seekers will join the labour market within the 10th FYP. A total of 4586 job seekers were registered this year with the Ministry of which 1,340 were placed in jobs and around 2005 were referred to various companies in corporate and private sectors for employment. Further to provide employment opportunities to the youth, weekly skills development workshop, Basic Entrepreneurship Course, National Job Fairs, Apprenticeship Training Programme, Pre-Employment Engagement Programme has been initiated. Moreover, the establishment census of 2008 in existing industries identified over 16,000 potential jobs in 119 business establishments over the next five years.

Labour and Human Resources

In relation to Labour and Human Resource, the government has not only developed a policy guideline for the National Human Resource Development Policy but has also established a Construction Service Center for graduates of Vocational Training (VTI). In addition, the curriculum and facilities of the VTI has been improved to strengthen the six VTIs and two Zorig Chusum institutes. Rural Development Skills Trainings and Special Skills

Development training for farmers were also conducted. Zorig skills in 3 Dratssangs and one nunnery were also introduced. Similarly, three new VTIs in Sarpang, Pemagatshel and Zhemgang and one IZC in Tsirang are being planned and to promote employment of Zorig Chusum graduate internship programs have also been introduced in the Zorig Chusum institutes.

Under Labour and Employment Act 2007, 12 regulations have been developed and consultation and promotional workshop have been conducted, a Regional Labour and Employment office has been established in Gelephu and construction of offices in Samdrupjongkhar and Trashigang is underway. A National Minimum Wage Committee, to study and propose a minimum wage structure for the private and corporate sector has been formed and streamlining of management and administration of foreign workers through appointment of additional Foreign Workers recruitment agents has been initiated.

With regard to information and communication, 13 new bus routes have been introduced and for the comfort and safety of passengers, Toyota coaster buses have been started in five different routes. In addition, 12 Toyota buses procured for Coronation celebration were inducted into Thimphu City Corporation bus fleet and three electric

cars have been procured on trial basis. Furthermore, considering the benefit to the people, the government decided to permit the operation of double cabin pick up van as taxis.

The Minister further informed that a feasibility study and master plan for potential airport sites at Bartsham and Yongphula, Bathpalathang and Phuentsholing have been completed and in April this year demarcation of 840 acres of land at Gelephu was undertaken. The government of India has also agreed to fund the establishment of a railway link of roughly 18 kms between Phuentsholing/Pasakha and Hashimara.

Similarly, in telecommunications, policy directives have been issued to Bhutan Telecom and Tashi InfoComm to connect all rural areas in the country to achieve universal connectivity by June 2010. Funds amounting to total of Nu. 188.385 million has been granted to the two companies to meet this objective. A memorandum of understanding was also signed between the government and GenPact in India to employ 200 Bhutanese graduates annually to work in operations center in India. Infosys a leading Indian ICT firm offered to train 100 Bhutanese graduates in IT infrastructure services and BOP operations at its own cost.

The Ministry of Information and Communications organized “road shows” on India, Singapore and Dubai. Fixed broadband and mobile broadband services have been introduced since 2008 covering 16 Dzongkhags and the number of subscribers has increased to around 1908 and 382 respectively in 2009. Further a national broadband network master plan has been prepared and MoIC in collaboration with Bhutan Power Corporation is working towards connecting all 20 Dzongkhags by June 2011.

Finance

To streamline and rationalize the procedure for government procurement of goods and services the procurement manual has been revised and is hoped to reduce corruption and speed up the procurement procedure and make goods available at cheaper costs.

It was also reported that distribution of resources to the people such as granting land substitute for land acquired by the government is being prepared and will be distributed to the people.

With regard to rural life insurance premium, each household has been paying Nu. 30 and receive compensation of Nu. 10,000 which is not enough to cover all expenditure and it was decided to increase the annual

premium collection to Nu. 45 per person and compensation amount to Nu. 15,000. Since financial service is also very important, joint venture with Punjab National Bank has been planned and many Bhutanese youth have left for training in India. It is expected that the lower rate of interest will benefit the people.

Reinforcing the Second Pillar of GNH-Environmental Conservation

In order to conserve the Environment, the Second Pillar of GNH, measures to reduce pollution from industries in the border areas will be put in place according to law. The Prime Minister reported that preparations are being made to host the Asia Pacific regional a conference on climate change in the capital and invite environmental scientist and experts to our country.

He also reported that, Ugyen Wangchuk Forestry Centre was established at Lami Gonpa in Bumthang and SAARC forestry centre was also established in Taba since June 2008.

The Prime Minister informed the House that plastic constitutes the main source of waste in the country and if the government does not address the problem in accordance with the laws and levy taxes it will pose a problem to the environment.

Similarly, the problem of stray dogs in the country not only presents a bad image to the foreigners but also affects the aesthetic beauty of the country. Therefore, the government sterilized about 2100 dogs and will initiate dog sterilization program from July 2009 for which the government has allocated Nu. 10 million and expects to sterilize 48,000 stray dogs through this program.

He also reported that in order to prevent dangers of glacial outburst a new division in the Department of Geology and Mines under the Ministry of Economic Affairs has been established.

The recent floods in the country affected houses, people and livestock incurring a loss of Nu. 719 million. It was reported that during the times of such natural calamities the Local Government, Dzongkhag administration, general public and civil servants worked hard and rendered their unflinching support.

Revitalizing the Third Pillar of GNH-Preservation and Promotion of Culture

The Prime Minister said that under the wise and farsighted leadership of our successive Kings, the preservation and promotion of our traditions and values has always been prioritized in the national agenda. He also reminded that the GNH philosophy is founded on the belief that happiness is a state of being that can be

achieved through a conscious endeavor to balance one's material advancement with spiritual development.

Since our unique culture and heritage are the defining factors of Bhutan being a sovereign independent nation, it is of utmost importance to preserve and promote these two factors. Further, the choice of Bhutan as the host for "Cultural Observatory" of the BIMSTEC region was of special significance for Bhutan and a number of opportunities to showcase our culture and country in the west have enhanced our country's image as a unique culture.

In addition, to preserving our cultural heritage, renovation and conservations of Dzongs and sacred artifacts has been prioritized and renovations of a number of Lhakhangs, Goendays and sacred artifacts have been completed. New religious and cultural structures have also been constructed which will benefit the promotion of tourism in the country. To promote our national language, Dzongkha, the government reconstituted Dzongkha Development Commission with appropriate members from relevant organizations with the Prime Minister as the Chairperson. The Prime Minister also reported on the plans and strategies being framed to develop and promote Dzongkha as a convenient and user friendly national language.

Consolidating the Fourth Pillar of GNH-Good Governance

Recognizing the importance of managing the civil service, a Public Service Delivery System unit was established in order to improve public service delivery, management and reduce administrative related problems. Further, the monthly pay of the civil servants was also revised. It was also reported that in addition to various measures taken to promote E-governance, outsource services and strengthen Local Governance a Grievance Redressal unit has been established in the Cabinet Secretariat to address the grievances of the people and ensure that all citizens receive equal treatment in accessing public services.

It was reported that youth constituted 82 %of those apprehended by the police for drug abuse and about 6,438 people hold bar license which means that there is a bar for every 46 people in the country and there are increasing cases of alcohol related deaths. In the past one year, the police apprehended 418 drug abusers, 62 drug peddlers and 440 people involved in brawls. The Prime Minister expressed his concern over the number of young girls involved in such activities.

Further, it was reported that 18 people were murdered last year and 169 Chhoetens and Lhakhangs were vandalized and stolen. A total of 194 cases of vandalism were seen in

the past two years. A total of 53 suicide cases in 2008 and 50 cases in 2007 were also reported. Additionally there is a rise in the number of gamblers be it single, married, civil servants, business men or youth which causes disruption in the society. The government is taking steps to strictly forbid such activities in accordance to law and with assistance from the police. The Prime Minister also said that incase the police failed to curb such activities they would be punished accordingly. He also expressed gratitude of the Government to the Civil Society Organizations for their invaluable service to the communities.

It was reported that Bhutan has also maintained close relations with other countries and the traditional ties of friendship and cooperation with India has strengthened over the years. He added that the visit of Indian Prime Minister to Bhutan, his own visit to India and the visit by the Indian Foreign Minister has further reinforced the ties between Bhutan and India. The gracing of the Coronation by The President of India, H.E. Smt. Pratibha D. Patil is also very significant in strengthening the Bhutan-India ties.

Similarly, in expansion of foreign relations the government established formal diplomatic relations with Belgium and opened a resident mission in Brussels. He

informed that, the Ambassador to Belgium is accredited to the EU/EC with whom we have had diplomatic relations since 1985. Over the years, assistance from EC has increased, with its total commitment for the 10th FYP amounting to Euro 28 million.

He also said that, the Royal Government has approved the proposal of the government of Kuwait to establish a resident mission in Thimphu. He informed that, Kuwait is the only country in the Middle East in which Bhutan has a resident diplomatic mission.

He informed that, a SAARC Development Fund (SDF) Secretariat in Bhutan will be established and inaugurated in the end of April next year. Bhutan is also to host the Sixteenth SAARC summit in Thimphu from 28th to 29th April 2010 and will assume Chair of SAARC for the first time since the foundation of the regional organization in 1985. The Bay of Bengal Initiative for Multi-sectoral Technical Economic Cooperation (BIMSTEC) has also finalized the establishment of the BIMSTEC Cultural Industries Observatory (BCIO) and BIMSTEC Cultural Industries Commission in Bhutan. The establishment of a consulate in Kolkata in November 2008, will also contribute towards strengthening the close ties of friendship and cooperation between the two countries.

The Prime Minister reported that, the Judiciary has also opened 12 Dungkhag courts and the construction of a Supreme Court, with assistance from the Government of India, is under progress. Further, out of the 1,979 pending cases, the number of cases which have been pending for more than a year has been reduced to only 50 cases.

The Prime Minister also presented the achievements and future plans of the Judiciary and the following list of legislations were submitted to the Parliament during the first two sessions. The Bills that were submitted and ratified are:

- a) The Constitution of the Kingdom of Bhutan
- b) Election Act of the Kingdom of Bhutan
- c) Public Election Fund Act of the Kingdom of Bhutan
- d) National Referendum of the Kingdom of Bhutan
- e) National Assembly Act of the Kingdom of Bhutan
- f) Parliamentary Entitlements Act of the Kingdom of Bhutan
- g) National Council Act of the Kingdom of Bhutan
- h) Ratification of the Agreement on the Establishment of South Asian University
- i) Ratification of the Agreement on establishing the SAARC Food Bank

Bills and Conventions that were passed/ratified by the National Assembly in the Second Session and presented to National Council.

- a) Waste Management and Prevention Act, 2009
- b) Livestock (Amendment) Act, 2009
- c) Cooperatives (Amendment) Act, 2009
- d) Zhabto Lemi (Repeal) Act, 2009
- e) Ratification of the Protocol of Accession of Islamic Republic of Afghanistan to the Agreement on South Asian Free Trade Area (SAFTA)
- f) Ratification of the SAARC Fund Charter

Bills and Conventions that were passed by the National Council and presented to the National Assembly during the Second Session

- a) Royal Bhutan Police Bill, 2009
- b) Prison Bill, 2009
- c) Ratification of the Agreement on the Establishment of South Asian Regional Standards Organization (SARSO)

Both the bills were deliberated by the National Assembly and sent back to the National Council for further consideration of issues on which the National Assembly

had reservations. The Bills to be discussed in the third session are

- a) Tobacco Control Bill
- b) Local Governments(Amendment) Bill(**Urgent Bill**)
- c) Standards Bill of Kingdom of Bhutan
- d) Royal Monetary Authority of Bhutan Bill
- e) Royal Civil Service Bill of the Kingdom of Bhutan (**Urgent Bill**)
- f) Bill on the Service Conditions for the Holders of Constitutional Office

The Prime Minister also presented the future legislative proposals as follows :

- a) Bills on declaration of National Parks, Wildlife Reserves, Nature Reserves, Protected Forests, Biosphere Reserves, Critical Watershed and other such categories
- b) Bill on Declaration of Emergency
- c) Bill on Consolidated Funds
- d) Bill on Formation, Functions, Ethical standards and Intra-Party organization of Political parties
- e) Administrative Tribunals Bill
- f) Alternative Dispute Resolution Centers Bill
- g) Militia Service Bill
- h) Impeachment Bill

State of our Emerging Democracy

The Prime Minister said that, democracy has just begun in Bhutan and it is at a budding stage where many countries have failed. However, Bhutan is fortunate to have the Constitution, institutional and legal structures which are the prerequisites of democracy gifted to the people, by His Majesty the King and His Majesty the Fourth Druk Gyalpo. It is therefore, important to imbibe a democratic culture for the functioning of our society and its governance in ways that will benefit the people from the sacrifice and priceless gifts of our Kings.

The Prime Minister reminded that to develop and sustain our new democratic culture under the rule of our benevolent Monarch we need to make collective efforts and not be led astray by negative emotions and misguided persuasions in the next four years of our beginning stage. The Prime Minister expressed his dream that Bhutan will become a country where to be a politician is to commit oneself to the highest form of service to the Tsawa Sum.

He reported that, in efforts to preserve and elevate our Monarchy, the Government had organized and managed the historic celebrations of the Coronation of His Majesty the King and the Centenary Commemoration. He also expressed his gratitude and appreciation to His Majesty

the King for the way in which He discharged His high Constitutional functions with gracious efficacy.

The Prime Minister also reported that the independence of the three branches of the Government has not been undermined in any way and the Government is working towards a totally independent functioning of the other two branches of the government and shall continue their efforts towards this end.

He said that, while the Royal Audit Authority and The Anti-Corruption Commission are indispensable to optimize accountability and check and balance in the system, the government is making efforts to facilitate the optimal functioning of these independent bodies and will continue to provide full support.

Furthermore, in order to promote transparency, many Ministries and Agencies have launched their websites and are in the process of doing so to make available up to date information on the activities of the Government. He also informed that the activities of the Cabinet are being reported on the cabinet website.

The Prime Minister reminded that the media should refrain from reporting false news about the Government and the importance of cooperating and working together to help establish a strong foundation for democracy.

In his concluding remark, the Prime Minister said that to achieve the aspirations of the people and the Government it was imperative to place the fulfillment of the expectations of the people and the Government before the interest of political parties and one's own benefit. He also reminded the dangers of imposing rigid interpretation of the Constitution which bring about crises and destabilization and therefore the need to interpret it in broad terms. The Prime Minister concluded his report by offering his prayers for the glorious reign of His Majesty the King Jigme Khesar Namgyel Wangchuck.

Deliberation on the Annual Report by the Prime Minister

During the deliberation on the annual report by the Prime Minister on June 29, 2009 the House expressed their appreciation to the Prime Minister for presenting the achievements made by the government in the past one year and the plans and programs for the future. Some of the Members also questioned the exclusion of some programs from the annual report.

The Opposition Party congratulated the government for the commendable achievements made by the government in the past one year. The Opposition Party said that, they were happy to note that the Government had achieved more than what they had expected. They reminded the Government that in future, the plans and programs and the

achievements should be clearly laid out according to the plan period making it more comprehensible for the people.

It was also pointed out that the presentation on the achievements made by the government in the past 15 months were mostly activities of the Ninth Plan. Further, they reiterated the importance of an independent media for a vibrant democracy and reminded that the Government should work in line with the provisions of the Constitution.

In addition, although submissions have been made for a decision on the Constituency Development Fund to the concerned Ministries, there has been no response as yet. Furthermore, the Opposition party reminded the Government on the importance of monastic education with regard to overall education policy. It was also imperative for the Government to implement the plans and policies of the Government and not to keep them on paper. In order to alleviate poverty, more resource should be allocated to the Local Government since only limited fund has been allocated for the development of agriculture and livestock in the villages.

In response, the concerned Ministers submitted clarification on issues relevant to their Ministries and they agreed with the Leader of the Opposition that some of the

achievements presented were from the Ninth Plan. However, as is the global practice, spill over activities of the previous plan year are continued in the new plan period and that it was not a cause for concern or doubt. Regarding Constituency Development Fund, the Members reminded that one should not only look at countries where the Constituency Development Fund failed but should also look at the experience of those countries where it has been a success. It was explained that once the Government funds were allocated to the concerned agencies and ministries, they had the prerogative to use the fund as deemed fit and was not differentiated between the Government, agencies and ministries as such.

Some of the Members expressed their gratitude for the tremendous achievement of the Government in the past one year and their hope that each year the Government would progress and strengthen the democratic form of Government. The Speaker, on behalf of the House expressed his gratitude to the Prime Minister for the comprehensive annual report on the state of the nation, including legislative plans and the annual plans and priorities of the Government and said that if such remarkable achievements were continued it would help fulfill the wishes of our Fourth King. With this, the deliberation on the annual report by the Prime Minister concluded.

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

In accordance to the Article 25 Section 5 & 6 of the Constitution of the Kingdom of Bhutan, the Public Accounts Committee (PAC) presented to the house on its re-constitution of the Members of PAC, comprising of 3 Members from National Assembly including one from the Opposition Party and other two Members from the National Council as follows:

1. Hon. Sonam Penjore, Chairperson, National Assembly
2. Hon. Jigmi Rinzin, Deputy Chairperson, National Council
3. Hon. Pema Lhamo, National Council
4. Hon. Damcho Dorji, National Assembly (Opposition Party)
5. Hon. Kesang Wangdi, National Assembly

In line with the mandate conferred by the provision of the Constitution, the Chairperson of the PAC reported on the following audit reports submitted to the Parliament by Royal Audit Authority (RAA);

1. Status of the Follow-Up Report of pending Audit Reports as of December 2006
2. Status of the Follow-Up Report of pending Audit Reports as of December 2007

3. Annual Audit Report (AAR)-2008
4. Performance Audit Report
5. Audit Report of the two political parties for the year 2007-2008

Status of the Follow-Up Report of pending Audit Reports as of December 2006

According to the directives of the 2nd session of the 1st Parliament, the Royal Audit Authority was directed with special mandate to resolve fully and even consider waiving off few overdue, up to 2006 in consultation with the Ministries, Departments, Dzongkhags, Gewogs and agencies. Accordingly, the directives were relayed to the Auditor General, Royal Audit Authority in the month of February to submit its report by May 15, 2009.

In line with the above directives, the Royal Audit Authority having initiated massive follow up exercises and co-ordination strategies, a total of 205 reports were resolved from the total of 414 pending audit reports. In monetary terms, out of the total unresolved irregularities of Nu. 483.612 million, a sum of Nu. 354.917 million was resolved representing achievement of 73.38%. The committee highlighted that some of the major obstacles in resolving the pending audit issues were due to ongoing court cases, short period for audit response, repayments

being carried out in installments and lack of information on current place of residence of the accountable individuals. To this, PAC recommended its exigency in deliberating on the proposition to resolve the entire issues before the fourth session of the first Parliament.

Status of the Follow-Up Report of pending Audit Reports as of December 2007

In line with resolution of the 2nd session of the National Assembly and PAC's directives, as on 15th April 2009, the RAA had resolved total irregularities of Nu. 158.50 million of the total irregularities of Nu. 199.080 million reflected in AAR-2007 representing total settlement percentage of 79.07%. The PAC commended the Ministry of Labour and Human Resources, Dzongkhag Administrations of Lhuentse, Samdrup Jongkhar & Thimphu, Office of Attorney General, Royal Civil Service Commission, Bhutan Telecom Ltd, Bhutan Postal Corporation Ltd and Bhutan Power Corporation Limited for resolving 100% of their irregularities.

Further, PAC proposed the following recommendations to resolve the pending issues;

1. Parliament should fix deadline for submission of Action Taken Reports for the remaining unresolved

irregularities within 45 days from the date of issue of the letter by the RAA,

2. Agencies to take appropriate administrative actions in strict compliance with the Bhutan Civil Service Rules-2006, in cases, where money has been recovered but remained unresolved for want of administrative actions.
3. Imposition of 24% commercial interest penalty on the remaining unresolved amounts.

Annual Audit Report (AAR)-2008

On the overall financial statement of the Government for the year ended 30th June, 2008, the PAC reported that the approved budget for the Fiscal Year 2007-2008 was Nu. 27,014.825 million out of which the domestic revenue amounted to only Nu.12,345.984. The budget difference was met from the external loans and grants. Out of the total outlay, the government utilized only Nu.21,835.426 million representing the underutilization of 19% of the total budget outlay. During the fiscal year, the total outstanding government debt amounted to Nu. 303,356.912 million representing about 56% total debt to GDP ratio.

The RAA during the year 2008 conducted a total of 445 audits comprising 343 regular audits, 75 certifications, 9

performance audits and 18 statutory audits, and issued 293 regular audit reports, 130 certification reports and 18 statutory audit reports. In the year 2009, the RAA issued 431 reports and out of total irregularities Nu. 932.177 million, Nu. 781.056 million has been resolved representing 83.79 percent of settlement and issued about 9945 audit clearances. Out of the remaining irregularities of Nu. 151. 121 million Nu. 116.295 million pertain to the budgetary agencies and Nu. 34.826 million relates to the corporations, financial institutions and non-governmental organizations.

The PAC commended the RAA and the agencies for the efforts made in reducing the overall irregularities by 24.09% in 2008 as compared to AAR 2007. However, the PAC urged that the Ministers, heads of agencies and other concerned authorities on the responsibility to ensure that public resources are utilized in the most economic, efficient and effective way and the Government must continue providing all possible assistance to RAA in realizing its mandate as specified in RAA Act and the Constitution.

Performance Audit Report

The PAC reported that the Department of Roads, Ministry of Works and Human Settlement and Department of Geology and Mines, Ministry of Economic

Affairs have adequately implemented the resolutions of the second session of the First Parliament pertaining to the review of Performance Audit Report, 2007.

9th Five Year Plan Review of Chukha Dzongkhag

The PAC reported that Chukha Dzongkhag was one of the highest beneficiaries with a plan outlay of Nu.1,445.545 million during the 9th FYP. In order to assess the performance of the Dzongkhag, the RAA focused its review on five indicators like completion of assigned activities, plan alterations quality of work output, Gewog based planning process and the system of budgeting and execution. Chukha Dzongkhag was also selected for this audit as a sample review from the 20 Dzongkhags based on the high audit scores applying the following criteria;

1. Overall estimated audit impact on the agencies and the government,
2. Financial materiality,
3. Significance of the program to the overall development of the country and
4. Potential risk to good governance.

Some of the critical issues reported were the underutilization of the sanctioned budget, poor planning, shortage of technical personnel, disparity in the distribution of fund within the Dzongkhags and its

Gewogs, inconsistencies in the plans between the central agencies and the Dzongkhgs. To this end, PAC urged that the recommendations made by the RAA be used as references and utmost compliance be adhered by the decision makers in all spheres of planning, implementation, monitoring and evaluation and other appropriate co-ordinations.

The House after deliberating on the reports and recommendations submitted by the PAC resolved on the following nine points:

1.It was resolved to settle the unresolved audit issues ranging from 1987 till 2006 amounting to Nu. 130.595 million within October 2009, in which all the responsible officials including the Ministers and Secretaries of the Government Organizations, heads of the Corporations and Financial Institutions and Non Governmental Organizations must render full support and co-operation in accordance to the Section 76 & 77 of the Audit Act 2006 and submit a report thereof in the 4th session. In case the pending audit issues cannot be resolved within the above deadline, the matters shall be dealt by a Committee according to the Sections 178 and 179 of the Public Finance Act of Bhutan, 2007 and submit a report either in the 4th or 5th Session.

2. The House decided that the pending audit issues of the 2007 shall be dealt as per the above resolution regarding 2006 and unresolved audit issues of 2008 shall be settled within 31st December, 2009.
3. It was decided that the Action Taken Report on the follow-up reports of the Royal Audit Authority on the unresolved audit issues of 2006, 2007 and 2008 shall be submitted within 60 days, with effect from August, 2009 including the administrative actions taken by concerned agencies based on the Bhutan Civil Service Rules & Regulations, 2006 and other relevant laws and shall endorse a copy of the Action Taken Report to the Civil Service Commission for further action.
4. The House resolved to impose penal interest of 24% on all the audit irregularities pertaining to the expenditure and advances. The Royal Audit Authority and Ministry of Finance should jointly develop the policy framework and implement effectively by 1st January, 2010 upon an executive order. However, the Corporations and Financial Institutions shall execute as per their respective standing norms.
5. The cases, where no administrative actions has been initiated under the category of fraud, corruption and embezzlement despite refund of amounts being made, the House decided that actions should be taken as per

the Bhutan Civil Service Rules and Regulations, 2006 and the copy of a report thereof shall invariably be endorsed to the Royal Civil Service Commission for further action.

6. The significant audit findings pertaining to fraud, corruption and embezzlement were partly dealt by Royal Audit Authority and partly by Anti Corruption Commission. The Public Accounts Committee suggested forwarding only the significant audit findings of fraud, corruption and embezzlement to the Anti Corruption Commission. To this, the House resolved that such cases would be dealt according to Sections 48 (b) and 67 of the Audit Act of Bhutan 2006.
7. With regards to the fixation of responsibility and accountability of the audit irregularities, if the concerned agencies do not initiate action accordingly, the House resolved that the Royal Audit Authority would submit a report thereof to the Royal Civil Service Commission and tackle it in accordance with the Bhutan Civil Service Rules & Regulations, 2006.
8. The Royal Audit Authority conducted a review of the 9th Five Year Plan of Chhukha Dzongkhag Administration as a sample audit and submitted significant recommendations that would benefit other

Dzongkhags and government agencies in implementing their plans and programmes. The House decided that the Cabinet would study the recommendations and issue a directive for implementation accordingly.

9. In order to settle the pending audit irregularities, some of the Members suggested that there is a need for a system of write off while others submitted that there should not be system of write off. To this, the National Assembly resolved that issues of write offs would be dealt as per the existing practice of Ministry of Finance in line with the Financial Management Manual with extensive examination and scrutiny of the case.

Risks of Financial constraints and sustainability of Political Parties

The presentation on the Audit Reports of two political parties of Druk Phuensum Tshogpa (DPT) and Peoples Democratic Party (PDP) for the year ending 31st June 2008, the PAC highlighted the current issues of weak financial position and its sustainability in the years to come.

The House, while deliberating at length, the Members expressed their views and said that the Parties are the foundation of Democracy and if the Parties do not possess

adequate financial resources, it would not only result in dissolution of the party but also pose a serious threat to the new and young democratic system.

It was also brought to the notice of the House that the Election Commission has directed the two political parties to settle their outstanding loan amount of Nu. 29 million and Nu. 3.5 million of the DPT and PDP respectively within the year 2011 and 2012. The Members expressed their concerns that if the two political parties cannot comply with the directives of the Election Commission, it would not only contravene the Constitution but would also portray a negative image of our newly initiated unique democracy to the outside world. Most of the Members submitted its need for the state funding of political parties.

The Leader of the Opposition Party opined that while it is true that political parties are facing financial problem, it is of paramount importance to respect the provision of the Constitution despite the financial problems that the Parties are facing. Even if the present political parties have to be dissolved due to financial problems, possibly many other new parties will emerge. Therefore, he said that the state funding for political parties was not necessary.

However, the House felt there would be no such problems as our Kings have introduced democracy for the benefit of

Bhutanese people and even if problems did arise, His Majesty may exercise the Royal prerogative enshrined in Article 2 Section 7 (C) of the Constitution. Moreover, His Majesty and the nation are aware of the financial problems of the political parties and extensive deliberation in the National Assembly.

The House noted that the financial problems of the political parties are a cause of concern if no new political parties emerge in the next one to two years. Since the provision of State Funding for Political Parties was not in the agenda and in view of the above deliberations, the discussion on state funding for political parties ended without adopting any resolution and concluded the presentation of the Audit Report by the Public Accounts Committee.

VI. REPORT ON THE PRIME MINISTER'S FOUR-DAY VISIT TO NEW DELHI AND KOLKATA PRESENTED TO THE PARLIAMENT ON 6TH JULY, 2009.

Prior to the beginning of the daily order of business on 6th July, 2009, the Prime Minister reported to the House on the good will visit to Kolkata and New Delhi The Prime Minister reported to the House that the primary reason for

his goodwill visit to India was to felicitate the new Indian Government on behalf of the Government of Bhutan. He also said that the government of India extended a level one reception though it was not a state visit. Given the commercial proximity of Kolkata to Bhutan, the Prime Minister met with the Chief Minister of West Bengal and discussed measures to strengthen cooperation between West Bengal and Bhutan.

He highlighted that, on behalf of the Government, he expressed appreciation to the Government of West Bengal for providing infinite assistance for the security of Bhutanese traders and community. He also added that the Government of West Bengal pledged its continuous support for the socio-economic development of Bhutan and provide assistance in other requisite areas.

He said that during his visit to Kolkata, a Press Conference was held where information on Bhutan's policies and laws were shared and the socio-economic developments achieved with assistance from the Indian Government were also highlighted. He also informed the House that he mentioned that Bhutan would always welcome financial as well as expertise assistance from India. He said that the meeting was a huge success and the main reason that they were interested in Bhutan is due to

the strong Indo-Bhutan relationship and the establishment of a strong system of Government in Bhutan.

He further informed that, he met with the business community in Kolkata and held talks of mutual interest. In addition to calling on to the recently established Bhutanese Consulate he also visited the Bhutan House which is currently undergoing renovation.

During the visit to New Delhi, he met with the President of India, the Prime Minister, President of the Congress Party Shrimati Sonia Gandhi, the Minister for Finance, the Minister for External Affairs, Foreign Secretary, Leader of the Opposition and the President and Secretary of Indo-Bhutan Friendship Association and held discussions on the following issues:

- 1.A program to visit India by His Majesty in winter has been finalized as the first ever visit abroad after the Coronation.
- 2.While the Government of India has pledged Nu.7000 million towards poverty alleviation projects, it was not materialized due to some minor inconsistency in the agreement. Nevertheless, the fact encompassing strong ties between India and Bhutan, it was assured that the Government of India would provide the assistance within this month. The assistance would be under

small developmental projects without having to draw an agreement.

3. It was decided that henceforth, Bhutanese traders will be exempted from double taxation on import of all merchandise from India.
4. The Government of India granted Nu.100 million for the relief of recent flood victims in the country.
5. The Prime Minister also discussed the forthcoming 16th SARRC summit. It was decided that SAARC summit would be held in Bhutan towards the end of next year. The Indian Government offered assistance to host the summit.
6. In order to harness 10,000 MW of power potential by the year 2020, about ten new projects have been identified. Among these ten projects, one has already commenced and out of the remaining nine projects, an agreement to start three projects within this year is to be signed between the two Governments. He informed that the three projects would then commence next year. It is hoped that all the ten projects will be completed by the year 2020. The Government of India has agreed to provide assistance for these projects.
7. On sharing Bhutan's policy of developing Bhutan as knowledge based economy through IT and e-

governance projects, the Indian Prime Minister, Dr. Manmohan Singh commended the initiative and assured to support the project worth Nu. 2.05 billion. He further elaborated that under this project, IT training would be provided to about 7000 civil servants within three years, to 4000 teachers in the next five years and to 10,000 students and equip them with IT skills to enhance their employment opportunities. In addition, about 1600 people will be provided with IT skills to open up IT related business enterprises.

8. The Government of India voiced their concern regarding the activities of people in the Eastern Camps in Nepal and its impact on Bhutan. The Prime Minister assured that the present Government's principle is based on Equity and Justice and the people have been given ownership rights and independence without any discrimination. Hence, he assured that problems are unlikely to arise in Bhutan.

9. He informed that, the Government of India said, although they had no doubt regarding the existence of Indian militants ULFA and BODO inside Bhutanese territory, Indian newspapers occasionally reported on possible regrouping of militants in Bhutan, which the Prime Minister clarified as baseless and untrue.

He concluded the report by saying that his visit to India has further strengthened and deepened the bilateral relations between Bhutan and India. He also added that people to people relation of the two countries were also burgeoning.

The Leader of the Opposition Party and the Members of the House expressed their appreciation to the Prime Minister for the fruitful visit to India. They also expressed their heartfelt appreciation to the people and Government of India for the generous assistance provided to Bhutan. With this, the deliberation on the Prime Minister's report to India concluded.

VII. OBSERVANCE OF CONSTITUTION SIGNING DAY

Since 18th July, marks the signing of the Constitution of the Kingdom of Bhutan, the Leader of the Opposition, Member from Dremitse-Ngatshang constituency, Minister for Works and Human Settlement and Minister for Labour and Human Resources expressed their Tashi-Legmoen along with the reasons for observing the day as Constitution Day.

The Leader of the Opposition submitted that signing of the Constitution by His Majesty the King on 18th July 2008 and the institution of the system of Constitutional Democratic Monarchy, symbolized a sacred act of

reverting the oath of allegiance submitted by Bhutanese people to the First King Ugyen Wangchuck in 1907 to the people. Thereafter, on behalf of the Opposition Party, he most respectfully expressed his gratitude and appreciation. He also submitted that the Constitution could be read to the public on 18th July to enable them to render effective services to the Tsa-Wa-Sum.

In addition, the Member from Dremitse-Ngatshang constituency expressed his hope that if all the Bhutanese people demonstrate interest and consider the Constitution as Buddha-Dharma on the Constitution Signing Day, it would further strengthen the foundation of democracy and would have very minimum number of people challenging it.

The Minister for Works and Human Settlement submitted that democracies in other parts of the world are usually introduced ensuing political turmoil. However, in Bhutan, His Majesty introduced democracy by formulating the Constitution after ensuring enhanced peace and stability in our country, like a parent handing over the responsibilities to their grown up children. Henceforth, nothing would please their Majesties the Kings if all of us regard the Constitution not only in terms of its words but also in its deeper meaning towards serving the people and the country.

The Minister for Labour and Human Resources submitted that gratitude should not be expressed only on the Constitution Signing Day but the Constitution should be respectfully remembered at all times by the Bhutanese people. He said that, their Majesties the Kings instituted democratic governance with the objectives to strengthen independence and security and also to enhance the socio-economic development of the country. Therefore, he urged that all of us should constantly be grateful to their Majesties.

Since 18th July 2009, marks the one year anniversary of the Signing of the Constitution, the Members of the Parliament and Cabinet Ministers urged all the Bhutanese people to gratefully respect the Constitution of the Kingdom of Bhutan.

VIII. PARLIMENTARY COMMITTEE RELATED PROPOSAL

A) Increase in number of members in the Legislative Committee

The Chairman of the Legislative Committee submitted that the five members of the Legislative Committee appointed and approved by the National Assembly has not only reviewed the various Acts of ministries, departments and corporations but also reviewed new Bills. Drawing from the experience of the Committee, it is felt that the

work load will increase with each passing year. Therefore, the Committee would be more effective in discharging its functions if the number of Members is increased. An application was then submitted to the Speaker and the following Members were identified for which the approval of the House was solicited;

1. Hon. Karma Rangdol, Minjay-Gangzur constituency
2. Hon. Ugyen Dorji, Dewathang-Gomdar constituency
3. Hon. Karma Wangchuk, Chumey-Ura constituency
4. Hon. Tshering Penjore, Talo-Kabji constituency

During the deliberation on the issue, the Minister for Economic Affairs and some of the Members stated that, law is the ultimate foundation for peace and prosperity in the country for the people. They said that, the main responsibility of the Parliament is to legislate and it is necessary that the Legislative Committee is strengthened by increasing its Members. Since, a strong law is necessary for the benefit of the country and the people it is crucial to have a Member with sound legal background. Therefore, they submitted that it would be appreciated if Hon Damchoe Dorji, Member from Goen-Khatoe-Laya constituency could also participate as a member of the Legislative Committee.

To this, the Leader of the Opposition said that while he supported the proposal to increase the number of the members in the Legislative Committee, he reminded that an individual cannot be a member of several committees. Since, there are only two members in the Opposition Party if one becomes a member of the Legislative Committee, it would be difficult for the Opposition to provide check and balance according to the provisions of the Constitution in the course of deliberation in the House. Therefore, it would not be convenient for a member from the Opposition to participate in the Legislative Committee.

The Minister for Economic Affairs and the Members stated that the proposal to include Member from Goen-Khatoe-Laya in the Legislative Committee is not to act as a spokesperson of the Opposition but to be able to draw on his legal expertise and experience for the benefit of the people and the country while legislating. Therefore, it would be appreciated if the Member from Goen-Khatoe-Laya constituency could participate in the Legislative Committee. The check and balance could be ensured during the deliberation in the Legislative Committee and it is not necessary that it should be exercised in the House.

The Member from Goen-Khatoe-Laya constituency said, while he is interested to serve in the Legislative Committee it would not be possible for him since he is a

Member of the Public Accounts Committee, Human Rights Committee, Foreign Relations Committee and House Committee. Moreover, he also has to shoulder responsibilities of the People's Democratic Party. However he would be happy to serve the Legislative Committee as and when the Committee deems his participation necessary.

The new Members of the Legislative Committee submitted that although they were not members of the Committee, they have been taking keen interest and participating in the Committee. Therefore, they volunteered to be the member and pledged to further strive to work hard in the Committee.

The Speaker suggested that a daily record of the deliberations of Committee be maintained. He reminded all the Members to cooperate while carrying out their functions. The National Assembly endorsed the proposal to increase the number of Legislative Committee Members to 9 members, with the inclusion of the above mentioned Members.

B) Motion to change the Education Development Committee name to Education Committee

The Chairman of the Education Development Committee submitted that the Education Ministry is responsible for development of education and therefore, proposed that the

word development be deleted from the Education Development Committee to read as Education Committee. The Chairman said that, the change in the name of the Committee would enable the Committee to carry out Parliamentary functions of looking into broader education policy and systems such as issues pertaining to quality of education.

The motion was seconded by Member from Patale-Tsirang-Toe constituency and the House accordingly resolved to change the name of Education Development committee to Education Committee.

IX. PROPOSAL FROM NATIONAL COUNCIL ON THE RITE OF PASSAGE OF BUDGET BILL

The eminent Member, Kuenlay Tshering, of the National Council stated that, the rite of passage of the budget bill was extensively deliberated during the first Session. However, he submitted that as per Article 13 Section 2 and 5 of the Constitution, the budget bill should also be approved by Parliament like any other Bills. The Speaker read out the proposal from the National Council on the rite of passage of bill, which stated that it would be convenient, if the National Budget could be bifurcated into Annual Budget and Budget Appropriation Bill.

During the deliberation on the proposal, the Members from Kengkhar-Werringla constituency, Cabinet Ministers and other Members expressed their views on the issue stating that, it was important to firstly comprehend the meaning of Budget Bill clearly. It was then suggested that since this issue was extensively deliberated and decided in the First Session of the First Parliament, there is no need to revisit the issue because the Constitution clearly states the procedure on the introduction and passing of the Budget Bills.

The National Assembly reasoned that the National Council's proposal on the rite of passage of Budget Bill is firstly not in accordance with Section 141 of the National Council Act which states, "The motion of censure must be proposed by not less than half of the total number of members of the National Council."

Secondly as per Section 119 of National Council Act, "The annual budget shall be presented to the National Assembly for discussion and after being passed by the National Assembly, it shall be presented to the National Council by the Finance Ministry". The authority to pass the budget bill is clearly bestowed on the National Assembly.

Therefore, the National Assembly while deliberating on the proposal from the National Council resolved to retain

the resolutions of the First Session of the First Parliament, in accordance with Chapter 8 Section 141/143/144 of the National Council Act, 2008 and the provisions of the Constitution.

X. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 2007-08, REVISED BUDGET ESTIMATE FOR THE YEAR 2008-09 AND BUDGET ESTIMATE FOR THE YEAR 2009-10.

The Finance Minister presented the National Budget Report for the Year 2009-10 to the National Assembly. In the report, he also presented the Annual Financial Statements of the Financial Year (FY) 2007-2008 and the Revised Budget Estimate for the FY 2008-2009. The presentation also included the economic outlook and fiscal projections, reports on State-owned enterprises and Government shareholding companies and trust fund. A copy of 78 paged Budget Report was also distributed to all the Members.

a) Annual Financial Statement of the FY 2007-2008

While presenting the overall financial position of the Government in the FY 2007-08, it was reported that there was a fiscal surplus of Nu, 403.549 million, with a total realized resource of Nu. 18, 316.908 million against an expenditure of Nu. 17,913.359 million. The resource gap

was reported to be Nu. 915.656 million due to loan repayment of Nu. 2076.784 million.

In the FY, the domestic revenue not only covered the recurrent expenditure but also covered 5.5% of the capital expenditure. A total expenditure of Nu. 19, 693 million was incurred with current expenditure and Capital expenditure amounting to Nu. 9,726 million and Nu. 9,967 million respectively. It was reported that a total domestic revenue, tax and non tax of Nu. 12,346 million was collected and Nu. 5,935 million was received from external grants.

It was reported that the Government's total borrowing amounted to Nu. 1,484 million of which Nu. 619. 718 million was received from the Government of India (GOI) and NU. 864. 426 from other external sources. The Government made a total principal loan repayment of Nu. 2154.426 million. As of 30th June 2008, the Government's total outstanding debt (internal and external) stood at Nu. 33,070.990 million, which is about 60% of the Gross Domestic Product (GDP). The country witnessed an economic growth of 13.8% in FY 2007-08, with significant contribution from electricity, construction, tourism related industries and communication sectors.

b) Revised Budget Estimate for the FY 2008-09

In the presentation of the revised budget for the FY 2008-09, it was reported that the annual approved budget for the FY was Nu. 21,585 and the revised budget stood at Nu. 25, 520 which represented an increase of 18 %. The current expenditure for the FY increased to 11,910.831 million, which is an increase of 3.8% as against the earlier estimate. It was reported that the capital expenditure increased by 30 % from Nu. 11,571.028 million to Nu. 11,5047.598 million.

The domestic revenue estimate for the year has been revised by 16 % from Nu. 11,933 million. The external grants have been revised to Nu. 9,485 million from Nu. 3,148 million mainly due to confirmation of GOI programme and Project tied Grants.

Borrowings from external sources have been revised to Nu. 1,939 million representing an increase of 7.8% from the original estimate of Nu. 1, 810 million. The total outstanding debts stands at Nu. 35,109 million, which is about 56.7% of the GDP. It was also reported that the total external debt comprises 96.5% of the total outstanding debt. Further, in addition to the supplementary budget approved by the Parliament in the last Session, a need for further supplementary budget of Nu. 286.121 million under the Royal Government of

Bhutan funding and Nu. 3,952.326 million under external funding was reported. The Finance Minister also informed the House, that the actual expenditure if the budget is likely to be less than estimated and that the overall agencies indicated that about 10 % of the approved budget would be unutilized. With this the report on the revised budget estimates for the FY 2008-09 was concluded.

c) Budget Estimate for the FY 2009-10

In the presentation of the of the budget estimate for the FY 2009-10, the Finance Minister said that the budget is geared towards achieving the core objective of poverty reduction by pursuing focused socio-economic development strategies within a sound macro economic framework, which is based on the general budget policy and fiscal framework (BPFF). It was reported that out of the total budget of Nu. 30,402.336 million, Nu. 13,594.134 million and Nu. 16,808.202 million have been allocated for current and capital expenditure respectively. On the sector wise distribution from the total budget, it was reported that, Nu. 7,619.710 million have been allocated to the social service sector, Nu. 9,723.333 million to Economic and Public Services, Nu. 1,070.107 million to Religion and Cultural Service, Nu. 2,249.602 million to Law and Order Services, Nu. 4,997.165

million to General Public Service and Nu. 4,742.419 million for National Debt Services.

Of the Total Revenue of Nu. 21, 498 million for the FY, domestic revenue accounts for 14,109 million and external grant of Nu. 7,354 million. In the FY subsidies to and recovery of loans from corporations are estimated at Nu. 649 million and Nu. 1,810.803 million. The total external loan disbursement is estimated at Nu. 2592 million and will have to resort to internal borrowing of Nu. 196 million. The total principal repayment is estimated to be Nu. 2,287 million of which 92 % is on account of external loans. The debt service ratio is projected to remain at 9.20 %.

It was reported that the total budget estimates for all activities implemented by the Dzongkhag and Gewogs amounts to Nu. 6,928.205 million, which constitutes about 26% of the total expenditure outlay and an increase of 11% over their revised budget of the FY 2008-09. Of the total estimated amount of Nu. 6,928.205 million, 87 % will be implemented by the Dzongkhags and 13% by the Gewogs.

The GOI grant for the FY is projected at Nu. 4,372.661 million of which, programme Grant is Nu 1,400 million and project grant is Nu. 2,972.661 million. The Finance Minister also informed the House that, agreement has

been arrived at for the modality of the implementation of the Small Development Project, which is an important component of the GOI's assistance or the Tenth Five Year Plan. The Minister, on behalf of the Royal Government of Bhutan, expressed his gratitude to the GOI and other development partners for their continued support.

The total expenditure for the FY 2009-10 is estimated at Nu. 26,304.310 million, which is an increase of 3.07% from that of the revised expenditure outlay of the FY 2008-09. The estimated current expenditure is Nu. 13,594.134 million, which is about 18% higher than the revised estimate of FY 2008-09.

Interest payment for the FY is estimated to be Nu. 1,76.529 million of which 85 % is on account of loan availed for Tala and Kurichu Hydro power projects. Interest payment for domestic loan is estimated to be Nu.67.491 million. Subsidies are estimated at Nu. 649.736 million for the FY, the major recipients being Druk Air, Bhutan Broadcasting Service Corporation, Rural Housing Insurance Scheme, Thimphu Thomdey and Bhutan Postal Corporation.

The capital expenditure is estimated at Nu. 13,827. 321 million, 70 % of which is estimated for financing from external grants and loans. Lending to corporations is estimated at Nu. 694 million of which Nu. 547 million

will be provided to Bhutan Power Corporation for rural electrification and balance is on-lending to Bhutan Development Finance Corporation for rural credit related activities. Recovery of loans from the corporation is estimated at Nu 1,810. 803 million of which Tala Hydro Power Project principal loan recovery accounts for 77%.

The Government external borrowing is estimated at Nu. 2,592 million and will have to resort to internal borrowing of Nu. 4,500 million. It was informed that the Ministry of Finance is currently working on details to introduce Treasury Bills to help finance the resource gap and facilitate the development of capital market in the country. The total principal repayment is estimated to be Nu. 2,287 million and the debt service ratio is projected to remain at 9.20%.

The Finance Minister informed the House that the cost of total damages by the natural calamity in the past month was estimated at Nu. 719.11 million and adequate budget have been provided for restorative work and additional reserve of Nu. 200 million has also been provided. The Government is also carrying out preventive measures at the glacial lakes for which a budget of Nu. 33.575 has been allocated. He also informed the House that as per the Constitution, a separate budget is allocated for His

Majesty's Relief Fund and an amount of Nu. 20 million has been incorporated in the new budget.

d) Economic Outlook and Fiscal Projections for the FY 2009-10

It was reported that during the FY 2009-10, the economy is projected to grow by 8% and similarly trends are projected for the following two financial years. The economic growth will be mainly driven by electricity and construction and the global economies are expected to recover from the economic crisis by 2010 minimizing the negative impact on the economy. However, in the short run, the negative impact may be felt on the international reserve, trust funds and the tourism industry.

Inflation is expected to fall to 4% in the FY and subsequent two years. However, the prices of the non-trade able goods and services may rise with increasing disposable income of the Bhutanese people. The overall balance of payment is projected to remain positive and gross international reserve will continue to grow and sustain around 7 months of imports of total goods and services in the next three fiscal years. The external outstanding debt for the FY is projected at Nu. 40, 217 million and the debt service ratio is estimated at 9%, which is expected to fall to 8% in FY 2010-11 and to 6.8% in the medium term.

e) Report on State owned Enterprises and Government Shares in Companies

It was reported that the Royal Government's assets in the various corporations are on a net worth basis Nu. 25,866 million, which is 42% of the Gross Domestic Product. All companies, except Food Corporation of Bhutan and Bhutan Broadcasting Corporation, have reported positive results. Combined net worth of companies recorded a growth of more than 10% compared to 2007. The total contribution from companies in the form of dividend and CIT was Nu. 4,033.014 million, which is about 32% of the total GDP in 2008.

f) Report on Trust Funds

It was reported that currently the total balance of Bhutan Trust Fund for Environmental Conservation which was started with an initial fund of of US\$1 million now stands at US \$ 39.934 million and that the fund is used exclusively for environment related activities. Secondly the Health Trust Fund established in 1998, accumulated US \$ 23 million till now. The target capital of the fund is US\$ 24 million. Till date around Nu. 5 million has been utilized on vaccines and drugs from the accumulated income of the fund. Thirdly, the present fund balance of the Cultural Trust Fund, which was established in 1999, stands at Nu. 41.596 million. However, it was reported that the fund is

not yet operational. Fourthly, the total fund for Universal Service Fund for ICT which was established in line with the Bhutan Information, Communication and Media Act 2006 is Nu. 360.182 million. There are various projects on-going under the fund amounting to around Nu. 309 million. Among these, one significant project in the pipeline, is the Rural Communications Project of around Nu. 250 million, which targets to connect those Gewogs and Chiwongs/ villages, which are not accessible to mobile cellular services. He said that although the world experienced economic depression, Bhutan was not greatly affected. He expressed his prayers that under the wise leadership of His Majesty the Kings, Bhutan will continue to enjoy peace, prosperity, happiness and unprecedented development. The report on the 2009-10 Annual Budget Report for the House's approval ended.

During the deliberation on budget report, the Leader of the Opposition submitted that the allocation of National Budget based on the population is not fair to the less developed Gewogs in the remote areas and therefore, the system of budget allocation may be revised. He said that, the total loan amount in the previous year was Nu. 35,104 million, out of which 60% of the loan amount was availed for Hydro Power Projects in the country. While Hydro Power Projects are essential for development of the

country, there is a risk of not being able to repay the loan in the event of natural calamities. Therefore, it is imperative to be cautious in availing loans. In the Financial Year 2008-2009, industrial and services sector showed commendable socio-economic development outcome while the agriculture sector grew only by 1.7%. Since 79% of our population depends on agriculture, it is crucial for the Government to focus on the government's objective of developing agriculture. It is also necessary to study the pros and cons of expensive trainings, studies tours, renovations and exhibitions programs. He also submitted that, the Constituency Development Fund be directly disbursed to the Local Governments.

The percentage variation in the National Budget is mainly due to the Government pool vehicles and it is necessary to carry out a cost-benefit analysis thereof. It was also submitted that it would be better if the salaries of the civil servants are revised every year incrementally according to the inflation rate instead of increasing it after every few years. From the huge sum of budget allocated for the education sector in the second year of the Tenth Five Year Plan, it is necessary to provide support to the *Goendeyas* and *Shedras*.

Similarly, in accordance to the Article 14 Section 12 of the Constitution, it is important to build a strong financial

foundation for the Relief Fund. The House submitted to provide clarifications on the strategies and measures adopted by the Government in exploring the possibilities of expanding the internal revenue base and the strengthening and making private sector effective.

The Members from Kabji-Talo, Kengkhar-Weringla, Menjay-Gangzur, Lhamoizingkha, Thrimshing, Bongo-Chapcha, Mongar, Bardo-Trong, Lingmu-Toewang, Dremitse-Ngatshang constituencies submitted that it is necessary to revise the system of allocation of budget based on the population and poverty index to ensure fairness. They also submitted that the lapsed fund of the past fiscal year should be reallocated in the following fiscal year. Since, the annual activities and budget are prepared through the respective Gewogs, it would be appreciated if the plans and budgets of the respective Dzongkhags and Gewogs could be mentioned clearly in the Annual National Budget. It was submitted that the Finance Committee is necessary to be instituted to ensure equal and fair allocation of budget. They also submitted that it is of paramount importance to accord priority mainly to roads, electricity and telecommunications.

Further, the Members sought clarification on as to why the planned activities of the Gewogs which are included in the plans are not reflected in the national budget

document of the second year. They also submitted, the Members would benefit while deliberating such issues in the House, if a copy of the agenda submitted by the Gewogs to the National Assembly is made available to them. It was also submitted that if a system of awarding medals to the Dzongkhags and Gewog leaders based on their performance and outcome is instituted, it would act as an impetus in achieving the planned activities. It is also necessary to enhance the capacity and independence of the corporations by appointing capable people. It was also submitted that the officers in the Ministries and Departments should visit the remote Dzongkhags and Gewogs and initiate measures to address the problems faced by the people.

The Cabinet Ministers responded that the developmental activities could not be completed on time mainly due to the lack of adequate number of professionals and equipments in the Local Governments. With regard to the lapsed funds, it was mentioned that the funds do not get surrendered in real monetary terms. Such lapses are reflected only in financial statements because any uncompleted activities were carried forward in the following year as spill over activities. On the submissions made by the Members regarding the budget allocation system, it was reported that this system could be revised

as the Gross National Happiness Commission is currently reviewing the system. The reduction of agricultural growth in the past year, is due to non inclusion of construction of farm roads, procurement of agricultural machineries and conduct of agricultural research in calculating the growth of agricultural sector. It was reported that between the year 2007 and 2008 the income from cash crops increased to Nu. 27 million. If agriculture is to grow substantially, the agricultural policy has to be changed and resort to using chemical and fertilizers. However, in view of the policy of sustainable development, this cannot be carried out. Some of the important responsibilities of agriculture is to conserve the forest and protect the water sources and generate revenue from hydro power. The revenue from tourism industry is also enhanced due to the sustainable management of our national biodiversity.

In every country, the national resources play a vital role in its development. Since water is the main resource of Bhutan, it would help in achieving the policy objectives of self reliance if the water resources are tapped to establish hydro power projects. Regarding the hydro power projects extensive talks have been held between Bhutan and India and power authority is established in both the countries. The House was reassured that there was no reason to

worry about not being able to sell power. Since, the potential risks of natural calamities to the hydro power projects are studied in detail right from the beginning; there is no cause for concern. With regard to the non inclusion of the detailed Dzongkhag and Gewog budget activities in the annual national budget report, it is necessary to consider the general interest of the country as a whole without being focused on respective Gewogs.

The Speaker expressed his appreciation to the Ministry of Finance, Finance Minister and GNHC for their detailed preparation and presentation of the national budget to the House. The Government should focus on the reduction of unemployment problem of the youth and on poverty eradication. He also suggested that the tax levied on people in the villages should be reduced and that the personal income tax base should be increased. He also said that the Constituency Development Fund has already been approved and that it would be revised after two years after receiving feedback from the people. In order to reduce the Government expenditure, strengthen Local Government and allocation of budget for the center and the Gewogs should be carefully considered. He expressed his gratitude to the Prime Minister for seeking funds and to the Government of India for providing financial assistance for the financial year.

The House approved the budget for the FY 2009-10 upon the motion moved by the Finance Minister. It was also resolved that the future annual budget allocation system shall be reviewed jointly by the Ministry of Finance, GNHC and Public Accounts Committee and a report shall be submitted to the House for approval. It was further resolved that the annual budget of the Constitutional offices and three branches of the Government shall be prepared by the respective offices as per the financial rules and be revised and approved by the House. The House also resolved that, the lapsed budget for the planned activities of the Local Governments, which could not be implemented in the first year of the plan will be carried forward and reallocated in the following year.

XI. REPORT ON THE IMPLEMENTATION STATUS OF THE RESOLUTIONS OF THE SECOND SESSION OF THE FIRST PARLIAMENT BY THE RELEVANT MINISTRIES

a) Report on the need for appointment of security guard in Gewog Administration Office

The requirement for a security guard in Gewog Administration office was deliberated quite a number of times in the previous sessions of the National Assembly. During the Annual Conference of Dzongdas and Chairpersons of Dzongkhag Tshogdu, Gewog Tshogde

with the officials of Civil Service Commission, many emphasized on the requirement for a Gewog security guard. On the contrary, the Civil Service Commission concluded that appointment of a security guard was not possible. This was because the security guards fall under Elementary Service Personnel and not as regular civil servants

The Ministry for Home and Cultural Affairs submitted that since most of the Gewog offices are located at the center of Gewog, they are far away from village settlements. Thus Gewog offices which house important documents and office equipments are vulnerable to robberies and incidence of fire.

It was further submitted that the security guard shall not be only responsible for Gewog security but shall also be designated with other responsibilities formulated through the system of 'Multi-tasking'. Therefore it was reported that the salary of Nu.5000 shall be supported by the Government since the Gewog revenue could possibly not meet the salary requirement.

While deliberating the issue, the Members submitted that in view of the fact that a separate Gewog security guard cannot be appointed people should be, according to their interest, be allowed to volunteer instead of having the Chupon take on the additional responsibility of a Gewog

security guard. It was also submitted that a certain allowance should be fixed for such the appointees.

However, some of the Members submitted that there would be no problem, if the Gewog Chupon is designated with the responsibility of Gewog security guard. In response, other Members emphasized that the Chupon would be unlikely to shoulder the responsibility since they frequently travel around the villages to deliver official letters and information. It was also informed that even Tshogpas can not take on the responsibility of a Gewog security as their responsibility is laid out in the Constitution. Therefore, the Government needs to scrutinize the issue and spare the people from unnecessary tribulations.

In the unanimous expression of their views, the Members submitted that some Gewogs still practice the old Chupon system while in some other Gewogs, in recent times the Tshogpas have taken over the responsibilities of the Chupon. The National Assembly resolved that the Local Government has the authority to appoint Chupons and according to Article 7 Section 11 of the Constitution on Fundamental Rights, the House resolved that the services of Chupon cannot be availed without paying for it. The Leader of the Opposition said that the recruitment of Gewog Security guard was inevitable to strengthen the

Local Government. He also pledged his support regarding the appointment of Gewog security guard by the Government provided it is in line with the authority of the Local Government. He further submitted that pay and incentives for the Gewog security guard should be uniform through out the communities and the number of civil servants to be appointed in the Gewog offices should be thoroughly analyzed.

Some of the Members said that the system of Chupon originated with the old culture and tradition. Therefore they submitted that in order to prevent the system of Chupon from deteriorating, it was important to appoint a regular security guard for the Gewog office.

It was also informed that there was no problem if the payment for the Gewog security guard is according to the National workforce wage rate. Moreover it was said that with the revision of pay, regular security guard in every office was paid a sum of Nu.5000 per month.

The House was urged that it was important to consider the different situations in eastern and southern Dzongkhags. Hence it was suggested that it would be better to first examine the departments of the Local Government and present a report in the next session after the policies and systems has been clarified.

Led by the Minister for Finance, the other Ministers suggested that with decentralization of power, the Gewog security guards should be kept within the domain of Gewog administration for betterment. They also suggested that it would be better to decide the uniform salary of Gewog security guards either to be financed through Gewog budget or by the Cabinet.

It was submitted that the Gewogs were not in a position to finance for its security. Hence if Government could recruit classes VIII, IX and X dropouts in rural areas as security guards, it would possibly provide employment opportunities to the youth.

Concerns were also expressed that Section 103 and 104 in Chapter 9 of the Labour and Employment Act would be violated if the security guards were appointed through the system of multi-tasking. It was submitted that the payments for the security guards were to be made through Gewog revenue and it was important to differentiate between the Gewog center and Gewog office.

Some of the Members said that it was not possible to retain the traditional system of 'Chupon' in the face of changing time. It was also informed that given the limited budget of the Gewog, it would create hurdles if the salary of a Gewog security guard was to be paid. Therefore, it

was urged that it was important for the Government to finance the salary of Gewog security guards.

The National Assembly resolved that in pursuant to the provisions of the Constitution, under the decentralization system, the Local Government is empowered for the appointment of security guard and with regard to their entitlement the Cabinet shall look into it and decide thereon.

b) Report on Road Classification by the Ministry of Works and Human Settlement

The report by the Minister for Works and Human Settlement on the guidelines on road classification system and delineation of construction and maintenance responsibilities contained as follows:

The National road network has expanded rapidly since the construction of the Phuentsholing-Thimphu Highway the country's first National Highway. At present there are over 5362 km of motorable roads of 15 categories constructed and maintained by various agencies.

Preparation of the road classification system was initiated in August 2008 by the Gross National Happiness Commission with the help of a Multi-Sectoral Committee. In October 2008, the Ministry of Works and Human Settlement received the directives of the Royal

Government to take the lead role in preparation of road classification guidelines in consultation with relevant stakeholders. Accordingly, several rounds of consultation meetings were held with the stakeholders such as the Gross National Happiness Commission, Ministry of Home and Cultural Affairs, Ministry of Agriculture, Dzongkhag Administration and Department of Roads.

A committee was formed comprising of members from relevant stakeholders to draft

- Primary National Highway (existing East-West Highway and North-South Highways)
- Secondary National Highway (currently District Roads)

Category 2: Dzongkhag Roads (currently Feeder Roads)

Category 3: Farm Roads (currently Farm Roads and Power Tiller Roads)

Category 4: Thromde Roads (currently Urban Roads)

Category 5: Access Roads

- Forest Roads
- Health Roads
- Education Roads
- Telecommunication Roads

- Power Roads
- Private Roads
- Project Roads
- Public Roads

Asian Highway

The Phuentsholing-Thimphu Highway is designated by the Royal Government as the Asian Highway route No.28 within Bhutan.

Primary National Highway (PNHs)

Primary National Highway (PNH) are roads of strategic importance carrying high traffic volume. It should be the shortest possible route between two designated points and provide width for lanes of traffic.

Secondary National Highways (SNHs)

SNHs are those roads that:

- Connect a Dzongkhag centre to a road of equal or higher classification:
- Provide connectivity between two Dzongkhag centers.

The Department of Road will be solely responsible for planning and implementation of Asian Highway, Primary National Highway and Secondary National Highway.

Department of Road shall also be the authority for development of the national road network with full authority to set technical standards for all classes of roads and bridges, including re-classification of roads, as and when it is necessary to match the socio-economic development of the country.

Dzongkhag Roads

The Dzongkhag Roads are roads which connects a Dzongkhag Centre and an Integrated Gewog Centre/Gewog Administration Office. The Dzongkhag Roads connects a Dzongkhag centre with another Dzongkhag Centre within the Dzongkhag not otherwise designated as Asian Highway, Primary National Highway and Secondary National Highway. These roads also connect the Integrated Gewog Centre/Centers to an existing road of equal or higher classification. Besides in the Tenth Plan, all Gewog Centers are to be connected with roads which shall be upgraded to Dzongkhag Roads according to the availability of resources.

Responsibilities for Dzongkhag Roads

Planning, prioritization and budgeting of the Dzongkhag Roads will be done by respective Dzongkhag Tshogdu. However the responsibilities for construction and maintenance of the roads would be given to the Dzongkhags in the near future.

Farm Roads

Farm Roads are roads which connects farmlands and villages providing transportation service to the farmers. It was reported that the construction of farm roads should be inclusive of cost of appropriate bridges. The Prioritization/selection of Farm Roads will be done by the Department of Agriculture. The design standards for Farm Roads will be set by the Department of Road in consultation with Ministry of Agriculture. Thus the responsibilities pertaining to the Farm Roads were clearly reported to the House.

Design standards for Access Roads

Technical backstopping such as provision of design standards and specification for Access Roads will be provided by the Department of Roads in consultation with the concerned agencies. It was informed that the Access Roads should be constructed to a minimum of Farm Road standard. While the concerned agencies, communities and individuals would be responsible for the construction and maintenance of the Access Roads.

Thromde Roads

It was informed that Thromde Roads are those roads located within the municipality boundary which are managed according to the Thromde Act.

Thromde Roads will be executed either by the Thromde or Dzongkhag Administration wherever relevant including maintenance. Design standards for Thromde Roads will be set by DUDES in consultation with the Department of Road.

It was informed that the existing East-West Highway and North-South Highways, which are currently of single lane, will have to be widened to Primary National Highway standard. Similarly it was informed that the Dzongkhag Roads would be upgraded to Secondary National Highway standard and the Farm Roads to Dzongkhag Roads standard. However it was informed that the financial constraints pertaining to such up gradation needs to be assessed. The programs for long term maintenance of roads and bridges according to the different categories were also reported to the House.

The Government aspires to pave the Asian Highway with double layers of black top, Primary and Secondary National Highways with single layer of black top and pave the Dzongkhag and all other roads with black top. Nevertheless in the face of financial constraints, double layers of stone aggregates will be placed on roads instead of black top to assure the smoothness of traffic both during summer and winter months. It was also informed

that the contractors would be consulted in order to enhance the quality of road.

The new 1000km of roads on the brink to be constructed would virtually benefit all 60 Gewogs deprived of transportation service. It was also informed that the Ministry of Works and Human Settlement would procure two new environmentally friendly machineries for the construction of roads which would accelerate the pace of work. The Members were also provided with a hand book on the Guidelines on Road Classification system and Delineation of Construction and Maintenance Responsibilities, 2009.

While deliberating on the issue, the members highlighted that the roads were unserviceable due to poor quality. They submitted that as road connection is crucial to alleviate rural poverty, it is suggested that the Members should be consulted while prioritizing the road construction plans.

On the questions of decentralizing the responsibilities of maintaining the roads to the Gewog Tshogde and Dzongkhag administrations, Members expressed concerns over the lack of skilled and experienced personnel to carry out the task. As such, the Member opined that strategies should be put in place to enhance the required capacity of the human resources or else resort to hiring of engineers

from the outside country. Besides, it is important that public consultations are done while formulating policies on the road construction. Some Members informed the House that while some Dzongkhags have numerous farm roads Gasa Dzongkhag doesn't even have a Dzongkhag road connection.

It is also important to specifically incorporate the length of the road as per survey report and drains along side of the road in the plan documents so that the contractors do not change the alignment at their free will. Once the contract work is awarded, the site engineer should be given full responsibility to monitor the work.

Further, it was submitted that considering the welfare of the people, the width of the farm road and the Right of Way be reduced from 50ft to 10ft and all weather road be constructed. The House was also reminded that the quality of road deteriorates due to frequent digging of service ducts by different department and agencies. The Government, therefore, needs to look into the issue so that the quality of road can be maintained. There is also a need for better coordination between the agencies and contractors in order to ensure better quality of roads which would help reduce road accidents. It is also observed that one of the factors that affect the quality of road is because of the difficulties faced by the contractors

in availing loan from financial institutions. Therefore, the Government should consider rendering necessary support.

The compensation to be paid by the Government was submitted if the farm road is constructed through the farmlands. It was also highlighted that the Government should consider the limited farmland of Dagana Dzongkhag and reduce the width of the farm road from 500ft to 300ft to benefit the people.

Led by the Minister for Agriculture, other Ministers submitted that irregularities will not arise regarding the 'Right of Way' as proper consultation was held. It was further informed that the people have full authority regarding decisions when it comes to farm roads and the Government shall not interfere in any manner. It was also informed that the farm roads would be appropriately constructed considering temples, monasteries, religious sites and the impact on environment. The budget for the construction of farm roads is also in place but would depend on the people who utilize the farm roads.

The width of both the left and right sides of the 'Right of Way' is to be considered and efforts should be in place to improve the efficiency of the engineers, construction work and others. It was then submitted that the standard of kilometers and the requirement of drains along the way

should also be included in the hand book of report on road guidelines for convenience.

The Leader of the Opposition submitted that the people residing in urban areas were virtually getting all kinds of service free of cost. On the contrary, in rural areas even the renovations of Lhakhangs and arrangement for drinking water have to be done by farmers. He said these issues have to be addressed by the Government with equity. He also added that it would be convenient if the stone aggregates are placed on roads and construct more kilometers of road in Gewogs which are far away from National and Dzongkhag roads. He further added that it was important to specify the standard of kilometers and the need to construct drains along the roads.

The Minister for Works and Human Settlement said that the width of left and right sides of the 'Right of Way' measuring 50ft is according to the law pertaining to roads. He informed the House that while we recognized the necessity to construct road connecting Gewogs to the villages, sometimes it was found that it is more convenient to construct roads from other Dzongkhags to the respective villages. Hence, it is important to take these factors into consideration while planning road connections. The plans to construct roads in Thromdes

according to its locations is important since all Thromdes are not the same in many aspects.

The Speaker suggested that it would be better if the width of farm roads was reduced to 20ft from 50ft and consider policies of the environmental conservation while constructing roads. He said that the authority pertaining to roads were entirely with the Department of Roads. Consequently on 23rd July, 2009 the National Assembly resolved that henceforth works would be implemented according to the suggestions presented by the members and the Guidelines on Road Classification System and Delineation of Construction and Maintenance Responsibilities, 2009.

XII. MISCELLANEOUS ISSUES

a) Issues related to Education

The public of Chumey and Chhokhor in Bumthang, Mongar Dzongkhag and Kabji Gewog in Punakha submitted that at least one opportunity should be given to class X failed students to continue in the same school as a regular student or to allow them to study as day scholars. It was also submitted if the Government could identify good colleges for class XII graduates aspiring to pursue their further studies abroad; it would assuage the youth

related cases of substance abuse and other illegal activities.

While deliberating on the issue, the Members supported the proposal that classes X and XII failed students should be given at least one opportunity to repeat in the same class.

Though the disqualified students of class X have the opportunity to study in private schools, it was not the same with the class XII students. With the class XII disqualified students pursuing their studies abroad, concerns always exist on the deterioration of the quality of education and Driglam Namzhag. Therefore it was submitted that to ease such problems, it was vital to upgrade higher secondary schools like Yangchenphug to degree colleges.

It was submitted that incase it is not possible for Government to upgrade higher secondary schools to colleges; private schools should be given opportunities for up gradation. Thus the Ministry of Education should asses the situation in order to eschew the youth falling prey to foreign influence and educate them with traditional values.

Led by the Minister for Education, other Ministers highlighted that free education was provided to the youth

despite Bhutan being a developing country. The House was informed regarding the rise in the number of students qualifying to class XI and tertiary level of education. The individual expenditure for the students by the Government was also reported to the House.

The biggest challenge faced in the field of education was the rise in the number of students annually and the inability of the Government to provide adequate assistance accordingly. Therefore it was important to assess these problems including the shortage of class rooms and teachers.

It was informed that 10 organizations were established to assist students heading abroad for further studies through consultation. It was also informed that the Government aspires to help students to continue their studies, however it was impossible to allow classes X and XII disqualified students to repeat in the same class.

According to the Constitution it was important to support the class X disqualified students currently numbering to 30 %. Similarly for class XII disqualified students, it was important that the Government disseminate the importance of education through media. It was also submitted that the Ministry of Education has to provide equal educational opportunities to people in rural areas through various ways.

Whether the students qualify for classes X and XII or not, it was impossible for them to get employed being under age. Therefore, it was informed that students with minimum qualification of class X were admitted in Vocational Training Institutes with opportunities to upgrade their qualification in the due course of time.

The education related issues could also be solved if the relevant Ministries assess the idle classrooms in rural areas and formulate plans accordingly. The institution of new private college in Thimphu and a Government college in Gedu was highlighted. The House was further informed on the system of 'continuing education', plans for institution of a medical college and up gradation of Natural Resource Institute, which would mitigate the problems of shortage of teachers and other youth related issues.

The House was informed that plans are in place to upgrade most of the schools in the Tenth Plan and to provide support for classes VIII, IX and X students according to their interest. In order to address the problems of shortage of teachers, a project called 'My Village, My Responsibility' was introduced which could not be implemented efficiently given the poor turn out of interested people. Nevertheless it was submitted that the situation would not be the same and the suggestion

presented to the House would be considered. It was also reminded that it was necessary to be aware of the policies to qualify for tertiary level of education.

The Members submitted that Class X failed students should be given one more opportunity to repeat in the same class. As the Government has already deliberated on the issues of initiating strategies to support and provide scholarship to enable those students of class XII who could not qualify for Government colleges to continue their studies in private colleges and higher secondary schools, the National Assembly resolved that the cabinet should study its feasibility and provide support and assistance.

b) Druk Air to route through Guwahati Airport

It was submitted that the Indian city of Guwahati in Assam is the biggest commercial destination for the people of Samdrup Jongkhar and other eastern Dzongkhags. Guwahati is also the entry point for foreign traders and tourists coming to eastern Bhutan. Therefore, it was submitted that Druk Air be routed through Guwahati Airport considering the welfare of the people, traders and civil servants of Samdrup Jongkhar and other eastern Dzongkhags and consider possibilities of establishing railway link between Samdrup Jongkhar and

Assam which would benefit industries and factories in the East.

While deliberating, the Members urged on the need for the Government to consult with the Government of India on the possibilities of Druk Air to route through Guwahati. This would not only benefit the people but also the Nation and Druk Air Corporation itself. It was further informed that principle and the election promise of the Government has been equity and development and therefore it was important to pledge support.

On the contrary, it was submitted that this kind of issues can not be immediately decided in the House. The security situation and the viability of the Druk Air Corporation and consequences thereof have to be considered. In addition it was also submitted that Druk Air be routed through Nabji-Korphu in Trongsa as a helipad already exists.

Led by the Minister for Economic Affairs, the other Ministers said that the Government has support on the issue and Druk Air Corporation already got green signal to route its flight through Guwahati Airport. However in 2007, a study showed poor commercial prospect if Druk Air is routed through Guwahati and even the Indian Airlines landed up in loss with its operation from Guwahati to Bangkok. It was informed that these reasons

avoided Druk Air from being routed through Guwahati but further studies will be carried out on the possibilities and implement accordingly.

Besides, there are plans to introduce flights from Paro to Bartsam and Yoenphula for tourists and development of tourism. It was also informed that Ministry for Information and Communication was working on the railway link from Phuentsholing to Nganglam, Gelephu and Samdrup Jongkhar.

Despite, 46 % of the population being from the eastern Dzongkhags, in the absence of mega projects and others, 16,000 people migrated from Trashigang to other western and southern Dzongkhags. It was suggested that considering the lack of budget for development of tourism, industries and air transportation in Merak Sakteng, Mongar and Trashigang respectively, plans should be formulated considering the population factor.

It was emphasized that communication and transportation services should be developed uniformly irrespective of the regions. However, 66 Gewogs and 33 Gewog centers in the east were not connected to motor roads which should be considered. It was also emphasized that the budget should be in place to introduce air transport at Bartsam and the Departmental headquarters should formulate

policies and plan with executive powers to be enjoyed by Local Government.

The Leader of the Opposition said that services like air transport were required in eastern Dzongkhags for its development. He further added that while formulating plans to introduce air transport in Trashigang, the Government should also take part in the discussions along with the Druk Air Corporation. He also said that such projects concerning air transportation would benefit both India and Bhutan. Furthermore, he highlighted that despite assessment of air transportation at Gelephug and Bartsam, budget was not in place for such implementations.

Led by the Minister for Finance, other Ministers said that though Bartsam and Yoenphula have been identified for air transportation, it was not included in the annual budget. This was because the Ministry of Information and Communication was working on the better feasibility of the two identified sites. It was informed that there was no room for concern since the works would be funded through 'regional budget' available with the Government ready to provide additional fund if need arise.

The Government is leaving no stone unturned to mitigate the issue of rural-urban migration. The Government is

also perpetually initiating various Projects in the east for the uniform development of the nation.

Subsequently on 23rd July, 2009 as submitted by the people of Samdrup Jongkhar, the National Assembly resolved to route Druk Air through Guwahati subject to approval of the Government of India

c) The Need for Establishment of Care Center for Disabled People

The public of Khaling Gewog, Trashigang Dzongkhag submitted for the establishment of care centre for disabled people aged thirty years and above in order to provide them vocational skills as in other countries.

While deliberating, the Members submitted that 30 students out of 127 disabled students of National Institute for Blind in Khaling were employed. It was submitted that centers for disabled people aged thirty were required to provide vocational skills and make them self sufficient like in other countries. However the Members highlighted that none of such projects were included in the Tenth Plan.

It was informed that 4 % of the country's population was physically challenged. According to Article 9 Section 21 and 22 of the Constitution, vocational skills should be

imparted through information and technology as in Thimphu and establish similar vocational center in the east considering its priority. The Members suggested on the possibility to establish such centers through 'Youth Development Fund'. They also submitted on the importance to establish similar centers for people suffering from psychological disorders.

Besides disabled people, it was urged that it would be beneficial, if projects were undertaken for taking care of old aged and poor people. Some Members suggested on the modification and up gradation of current centers instead of establishing new centers. It was also highlighted that the care concerning the old people was important to consider or else the traditional values of love and care for old might deteriorate.

Led by the Minister for Works and Human Settlement, other Ministers said that appeal for the need for such care centers were there even in the past. They said the reason for the Government's indecisiveness was influenced by the possibility of impacts on the cultural and traditional values. It was submitted that although such activities were not included in the plans, if the increasing number of Non- Governmental Organizations take up such initiatives, the Government is ready to provide support. They also said that with the introduction of iodized salts

incidence of goiters and other physical disabilities have greatly declined.

It was informed that in addition to the establishment of a special school in Khaling for the general disabled children, similar schools have also been established in Paro and Changangkha in Thimphu. The House was also informed that two such schools are due to be established in the Tenth Plan and 10 trainers have been sent abroad for training. Further more it was informed that in the Tenth Plan, a research will be carried out on the physically challenged people in the country.

It was reported that with the establishment of such care centers, many diseases including goiters and leprosy have been mitigated to a great extent. The treatment for people suffering from psychological disorder and relevant specialists has also been initiated in the country.

The deliberation concluded on 23rd July, 2009 with the Speaker highlighting such care center being established at Rangjung in Trashigang through his constituency development grant. He suggested that it would be beneficial if others could also consider the importance to initiate such care centers. Subsequently, he said that the Government has full support for the establishment of such care centers and hopefully the care centers would be established at the earliest.

d. Establishment of Finance Committee

The Member from Kengkhar-Weringla constituency submitted that a Finance Committee should be established to support the Finance Ministry and the interested Members may volunteer to be members of the Committee.

During the deliberation on the issue, the Members submitted that the Public Accounts Committee cannot provide support to the Finance Ministry because it has to study the Audit Report. Therefore, it was submitted that a Finance Committee be established which could on behalf of the Members, work together with the Finance Ministry in the preparation of the Annual Budget Report. The proposal to establish a Finance Committee was supported by many Members.

In response, the Ministers led by the Finance Minister said that there was ample time for the Committee to be established and submitted that it would be better if the Terms of Reference for the Committee is first drafted and finalized before its establishment.

It was submitted that it is very important to carefully consider the issue because the Finance Committee is different from other Committees. Although, Finance Committee exists in other countries, apart from scrutinizing the policies of the Government they do not

have the authority to prepare the Budget. The House was reminded that there is a risk of problems arising in the implementation if the Finance Committee is immediately established, therefore, it is suggested that the Committee be established at a later date.

The Members submitted that, till date, the 14 Committees had not faced any problem despite not having a Terms of Reference and therefore, it was felt that there was no need to draft a Terms of Reference before the establishment of a Finance Committee. Some of the Members, however, expressed their doubts on having too many Committees and achieving results and said there is a need to consolidate the existing Committees.

Further, some Members submitted that the Finance Committee could be established along the lines of existing 14 Committees. They also said that based on its requirement the existing number of Committees also need to be revisited. It was also submitted that although the establishment of the Finance Committee would enhance transparency in its workings, it is also possible that this will create rift amongst the Members. Moreover, it would also contravene the National Assembly Act and therefore, it was submitted that the Finance Committee be established at a later date after careful consideration.

The Leader of the Opposition said that, it was very important to consider the establishment of the Finance Committee although such a Committee is essential. He proposed that the issue be discussed in the Fourth Session since there is ample time for discussion.

The National Assembly resolved that for the time being, there is no need to establish a Finance Committee although such a Committee was deemed necessary.

XIII. CALLING ATTENTION

a) Clarification of Roles and Responsibilities of the National Assembly and National Council

The Member from Kabji-Talo constituency, seconded by the Members from Bji-Katsho, Lingmu-Toewang and Menjay-Gangzur constituencies submitted that, the National Council and National Assembly Acts do not specifically mention that the Cabinet Minister should be present during the Question Hour in the National Council. The Members submitted that the Cabinet should accord due importance in clarifying the doubts and misunderstandings created by the National Council in the minds of the general public through the media on the non participation by the Prime Ministers in the National Council question hour.

In the clarification provided by the Prime Minister on the non attendance of the Ministers of the Question Hour in the National Council and on the roles and responsibilities of the National Assembly and National Council said that, among the various objectives of Druk Phuensum Tshokpa, the most important expected outcome after five years, is to lay down a strong foundation for democracy.

The issue of Cabinet Ministers in attending or not attending the question hour session of the National Council has been extensively deliberated by the Government. He submitted that this would be a historical event and would set precedence for the future governments to a procedure that would hinder their functioning. He said that it is imperative to study the impact of such issues on democracy as the institution of such practices would be difficult to change once established.

He submitted that the Government decided last year that the Minister would not attend the National Council's Question Hour after considering in detail the benefits to the democracy, good governance and the people.

In the submissions made regarding the effects on democracy, he said that the non participation of Ministers in the National Council question hour was made firstly in the larger interest of democracy and in accordance with

the principles of the Constitution. Secondly, it is also important to consider the benefits while carrying out responsibilities in adherence to the Constitution and the principles of democracy. Further, the Government has additional responsibility of rightly interpreting, explaining and implementing the Constitution and new legislations at a time when people have different views and understanding of the same. He submitted that the Government had to consider all such issues and explained that it was not because of lack of esteem between the two Houses.

Furthermore, the Constitution does not require Ministers to attend the National Council question hour. He also submitted that according to the provisions of the Constitution, the role of the National Assembly, apart from its legislative and executive functions is to support the plans and programs, oppose or question the Government.

The role of the National Council on the other hand is to act as a House of review on issues affecting the security and sovereignty of the country and the interests of the nation and the people. The National Council cannot seek direct intervention and should serve its mandate as a House of moderation.

If the National Council misinterprets its mandate and directly intervenes in the functions of the executive, there is a risk of creating an unstable government leading to its collapse. Further, although it is understood that questions are raised to point out faults and make changes there is a need to better understand on what the question hour is based upon.

Secondly, in order to strengthen the independence of the two Houses, Section 6 of the National Council Act states that, “The National Council shall not be bound by voters or interest groups and shall function in a non-partisan manner in their Parliamentary work.” He reiterated that the responsibility of the National Council was to act as a House of review and urged them to uphold their mandate.

Moreover, the practice of Ministers answering questions posed by the National Council on behalf of the constituencies is not in accordance with the provisions of the Constitution and the National Council Act. Therefore, the Government could not support and attend the question hour.

In the clarification provided for the non attendance of the Ministers of the National Council question hour with regard to National Council Act, he said that there is no provision in the Act stating that the Ministers have to attend the National Council question hour. Further, he

said that when the National Council Act was deliberated in the First Session of the First Parliament, in the Section related to question hour, the House had decided to remove the word **Ministers** and replace it with the word **Government** representatives considering that it was mandatory for the Ministers to be present in the National Assembly when in Session. Although the National Council Act specifies that it can question concerned Ministries, Organizations and Authorities, it does not state that Ministers need to attend the National Council question hour.

In the two categories of questions, Section 136 states, “questions of national importance shall be listed in category 1 and shall require written answers to be given” while questions in the second category can be answered orally. The Ministers consider the questions in category 1 to be of national importance and therefore submit written answers. Further, he said that the questions posed were issues mostly related to administration and development and not on matters affecting the security and sovereignty of the country and the interests of the nation and the people as per the provisions enshrined in the Constitution. He also reminded that it was important for the people to be aware that they should always submit their questions

directly to the National Assembly through the Dzongkhag Tshogdus.

It was also informed that, all questions and issues were received and discussed in the National Assembly after being routed through the Gewog Tshogdey and Dzongkhag Tshogdus following a circular by the Speaker of the National Assembly.

Thirdly, considering the benefits of the people, he informed that since the Cabinet Ministers who carried out the executive work, are always present in the National Assembly session it, it is likely that all questions received from the people will be answered and a decision will be made. However, if the questions are posed to the National Council, decisions may be delayed and the people might not get the full benefit because in the absence of the Cabinet Ministers, the Minister can only answer the questions but cannot make decisions. He also urged the National Council to forward the questions received from the people to the National Assembly to avoid contravening the National Council Act.

To achieve the main objective of the present Government, to provide service to the people, a one stop shop has been instituted, where people can avail services and answers to their queries from one place without any confusion. It was suggested that all queries be directed to the National

Assembly. He reiterated that, the Government took the present stand, considering the future and current benefits to democracy, good governance and the people and that their stand on the issue did not undermine their esteem for the National Council.

Moreover, he informed that although the Ministers were not required to be present during the National Council question hour, the Cabinet Ministers had decided to personally present Government bills as a mark of respect to the National Council. However, we were informed by the National Council not to come. The Finance Minister, out of respect, had also personally presented the Annual Budget report to the National Council although the National Council Act did not require him to do so.

The Parliament is composed of three elements, the National Assembly, the National Council and His Majesty the King who is the third and highest, who we serve with utmost dedication and loyalty. He said that it is important for the two Houses to resolve differences through dialogues and be aware of the doubts and concerns of the two Houses.

The Prime Minister said that he and the Cabinet Ministers offered to meet the National Council Members to discuss the issue at any time. Further, the House was informed that the Prime Minister along with the Ministers for

Economic Affairs and Agriculture met with the National Council Members for an extensive free and frank exchange of views, in a special meeting held for three and half hours.

Lastly, while the Government has views to express considering the general benefits and detriments for our country the National Council too might have opinions to express. It is important to discuss as to how the differences in opinions could be dealt. The method adopted should not cause inconvenience to the new Government and also should not contravene the provisions of the Constitution and other laws. The need to consider how the future Governments would come to terms with the new political system adopted today was also submitted.

With regard to non attendance of the National Council question hour, on behalf of the Opposition, the Member from Goen-Khatoe-Laya constituency submitted that the responsibility of the Cabinet is not only clearly laid out in Article 20 Section 7 but also in Article 11 Section 2 of the Constitution. He opined that the current system where the Ministers have to be present to answer each and every issue raised in the National Council was not practical. Therefore, it is important that a new system be developed and the present problem needs to be once again discussed

and solved between the Prime Minister and the Chairperson. In addition, the National Assembly Act states that the Members of the National Assembly cannot be summoned by any office starting from the highest judiciary level to any organization when the Assembly is in session. Therefore, there are problems when the Ministers are summoned to the National Council when the National Assembly is in session.

To this, the Ministers for Agriculture and Economic Affairs, Members from Dogar-Shaba, Athang-Thedtsho, Dremitse-Ngatshang constituencies submitted that, the non attendance of question hour by the Ministers was not because of lack of respect for the National Council and its Members, but primarily due to the interpretation of the provision of the Acts of the respective Houses and the Constitution.

Similarly, the Leader of the Opposition said that although everyone is aware that the National Council has the extra responsibility as the House of review, he expressed his concern on the disagreements between the two Houses on the system of review. He expressed his appreciation to the Prime Minister and the Economic Affairs Minister for initiating dialogue to resolve the issue. He said that the responsibility of instituting a strong foundation for democracy fell equally on the Cabinet Ministers, the

Ruling Party, the Opposition Party and the National Assembly.

He said that for the Government to set good trend, it is important to hold discussions to mitigate the risks of different interpretation of the many new legislations in the country. He also said that disagreements may arise if the National Assembly made a decision and therefore suggested and expressed his hope that the issue will be discussed in a Joint Sitting of the Parliament.

The Speaker expressed his appreciation to the Prime Minister for clarifying the reasons for non attendance of the National Council question hour in accordance to the Constitution and the Acts of the respective Houses. Further, he said that with the institution of democracy, many Acts have been passed in the past one year and three months, which has led to various interpretations leading to the present disagreement. He said that, the Cabinet Ministers are not required to be present in the National Council question hour, as per Section 6 of the National Council Act which states that, “The National Council shall not be bound by voters or interest groups and shall function in a non-partisan manner in their Parliamentary work”

Further, the Speaker informed that he personally reminded the National Council Members that all the

National Assembly Members including the Prime Minister and Cabinet Ministers required the permission of the Speaker to be absent from the National Assembly Session. He reminded that it is important to discuss and jointly carry out our responsibilities.

The National Assembly while deliberating the issue resolved that the differences between the National Council and National Assembly arose mainly due to the misinterpretation of the roles and responsibilities of the respective Houses. It is important for the general public to understand the issue as clearly clarified by the Prime Minister. The House resolved that, as submitted by the Leader of the Opposition, the issue should be discussed between the two Houses based on earlier discussions and a report thereof should be submitted to the next session of the National Assembly.

XIV. REPORT ON THE SEVEN STUDENTS WASHED AWAY BY WANGCHU

The Prime Minister on 27 July, 2009, reported to the Joint Session that eight students of Tsimasham Middle Secondary School were having lunch on the other side of the Wangchu river below Chhukha dam. Meanwhile, seeing that the water level was rising, they attempted to cross back but the water level ominously increased in which only one boy managed to cross the river while the

others were stranded in the middle of the river on a huge boulder. Despite the concerted efforts made by the Dzongkhag administration, Royal Bhutan Police personnel, the parents and other rescuers, the children could not be saved and were washed away by the river altogether. To this, the Members of the Parliament, led by the Prime Minister observed one minute silence in mourning and lighted thousand butter lamps for the deceased in the Kuenray at Tashichhodzong.

The Members of the Parliament cautioned that it is necessary to have precautionary and preventive measures in place irrespective of whether or not this particular tragic accident was caused by rising water levels in the summer season. The Members while expressing their condolence assured that the government would provide all necessary assistance to the bereaved parents.

XV. CONCLUSION CEREMONY

a. Closing Speech by the Speaker

1. Today, as the Third Session of the First Parliament of Bhutan concludes, the Speaker in his Closing speech said that, the Members of Parliament would respectfully like to express appreciation to His Majesty for according paramount importance to the supremacy of the historic Parliament and gracing the concluding ceremony.

2. Similarly, we would also like to express our appreciation to the Excellencies, Dignitaries from International Agencies, Civil Servants, Defense Officials, media personnel and the guests.
3. The Police Bill, 2009, Prison Bill 2009, Waste Prevention and Management Bill, 2009 and Livestock (Amendment) Bill which could not be endorsed due to disagreements between the two Houses during the second session have now been passed through joint sitting during the current session of the first Parliament.
4. The Civil Service Bill and Local Government Bill which were tabled in this session as urgent Bills could not be passed despite extensive deliberation in the respective Houses and Joint Sitting due to disagreements on the Bills between the two Houses. Therefore, the Bills had to be deferred for some time. However, as per Article 10 Section 12 of the Constitution, a special joint session will be convened upon obtaining approval of His Majesty the King and it is hoped that the Bills will be endorsed. Considering the importance of the Service Conditions Bill for the Holders of Constitutional Offices of Bhutan, it will also be

deliberated and passed during the special joint sitting.

5. It is important for the Government to ensure successful and effective implementation of the planned developmental activities such as electricity, drinking water and motor roads as specified in the Tenth Five Year Plan which was endorsed after the institution of democracy in 2008 for which adequate resources are provided.
6. As earlier reminded in the Opening Ceremony about His Majesty's noble vision of Gross National Happiness, the significant difficulties in achieving this goal are poverty alleviation and youth unemployment. Therefore, the Government is further urged to initiate measures to address these problems. His Majesty is personally engaged in addressing the poverty related issues, for which the Parliament would like to express its appreciation and pledge full support to His Majesty.
7. It is important to provide unsuccessful class ten students with an opportunity to repeat in the same class in the same school. Further, as deliberated, it is important for the government to support the up-gradation of private middle higher secondary schools to colleges to provide opportunity to those

students who passed class twelve but could not qualify for government colleges. Accordingly, it is crucial that the Cabinet and Ministry of Education formulate appropriate plans and implement its activities.

8. In order to enhance the capacity of Local Governments, decentralization is being pursued and it is extremely important for the Government to ensure that 50% of the planned activities of the Tenth Five Year Plan are executed by the Local Government and the required support is provided as per the principles of our democracy.
9. The Members of the Parliament would like to express their deep appreciation to the Government of India for providing a grant of Nu. 100 million to rebuild the infrastructures which were damaged by the recent flood in the country. We would also like to express our appreciation to the Government for their concerted efforts made during the flood.
10. As per Article 12 Section 5 of the Constitution, the Parliament is to convene two sessions in a year and accordingly, as per the approval of His Majesty the King, henceforth the summer session will be held in the months of May and June and winter session will be conducted in November and December, for

which no separate announcement shall be made. Therefore, all the Bills and agenda from the Dzongkhag Tshogdus should be submitted to the National Assembly Secretariat, one and half months prior to the commencement of the session.

11. The Members raised the concerns of the people on the development issues pertaining to their respective constituencies which were distributed in the form of questions to which the Ministers from the relevant Ministries provided adequate response.
12. Lastly, the successful conclusion of Third Session of the First Parliament is attributable to the blessings of our guardian deities, merit and supremacy of His Majesty the King and support and cooperation extended by the Prime Minister, Cabinet Ministers, National Council Chairperson, Leader of the Opposition and Members of the National Council and National Assembly for which, I would like to express my heartfelt gratitude and appreciation. We would like to humbly offer our Tashi Moenlam for the long life of His Majesty the King and peace, prosperity and happiness of the country.

b) Address by His Majesty the King

On the occasion of the concluding ceremony of the 3rd session of Parliament, I congratulate the elected government of the Druk Phuensum Tshokpa on the completion of one year and four months in office. In these early days of a new political system while bearing great responsibilities you have, despite the limited resources, successfully carried out the difficult duties of government in service of the Tsa-wa-sum.

The Opposition, though comprised of only two members, has through diligence and commitment, fulfilled the important duties of the Opposition party enshrined in the Constitution.

The Members of the National Council, in the interest of the country's future, have shouldered their profound duties with accomplishment. I must express my deep gratitude and appreciation to the government and the members of parliament. It is with complete trust and faith that I look upon you to serve the People and Country. In doing so, you have my wholehearted support.

We must also acknowledge that in preparation for democracy we had entrusted immense responsibilities on our civil servants and judiciary as well as on constitutional bodies such as the Royal Audit Authority,

Anti-corruption Commission and Election Commission, which they have fulfilled in the service of the nation. Henceforth, for a vibrant and successful democracy, we must continue to support and strengthen these institutions.

Media - newspapers, television, radio and the Internet – must play a very important role. I appreciate that while some of the media agencies are young and lack adequate resources they have strived to perform their duties with complete commitment. Hereafter, media will be vital in keeping people well informed and in encouraging debate and participation - key to a vibrant democracy. Therefore, I have decided that through the exercise of my Royal Prerogative of Kudu, to strengthen media agencies so that they may carry out their duties, without fear or favour, in the interest of democracy.

Today, whenever there is time, I travel across the country to the villages. It is when I sit in the houses of my people, eat our meals together and discuss the lives and aspirations of each family, that I am most content. And while I am there I try, in small ways, to help them with their most pressing problems. Nothing is as rewarding as knowing that I have made their lives a little more comfortable, a little more secure and happier.

There is no substitute for being able to see the problems of the people personally. For when I carry out my duties, I

shall remember the faces of the people whom I must serve and I will know the ways in which I can serve them best.

It is also while I am in the villages that I come across so many people serving the country in such important ways, but who are rarely recognized and acknowledged. There is the civil servant, teacher, health worker and local government staff working in remote places and serving their country well. Our development projects are supported by the hard work of the daily-wage worker and those in the national work force. There is the small entrepreneur or the farmer working hard to feed his or her family. Such people are the backbone of our nation.

I have said before that the future is what we make of it. What work we do with our two hands today and the sacrifices we make will shape the future of our nation. To each and every loyal, hardworking and law-abiding citizen I offer my deepest gratitude.

Now, I always say that when we work together we must be frank and forthright. Today, everywhere people are concerned about the disagreements between important institutions of government. I want to tell my people that when such disagreements arise, there is no need to worry. It means that the members of these institutions have embraced their duties wholeheartedly. However, we must

be careful not to defer problems but resolve them as soon as they arise.

It is not the disagreements that our people should be concerned about; it is the manner in which they are resolved. Frankly, these disagreements have given us a great opportunity to set the right precedent for future politicians, governments and people. If the institutions in question can sit together, keeping national interest above all else, and resolve their problems, it will be an auspicious sign that democracy has a great future in Bhutan.

As King I have the sacred duty to look beyond the next one or two, or even five or ten years. It is my duty to serve the People such that, for generation after generation, era upon era our nation becomes stronger, more prosperous and happier. Therefore, from where I stand, I do not see different players such as the National Assembly, National Council, Cabinet or Bureaucracy.

I see our small landlocked country. I see our small Bhutanese family. Then I see this immense world in which we have the challenge and responsibility to stand on our own feet and build a nation into which our future generations will always feel proud, secure and happy to be born.

I truly believe that we have a special, unique and strong nation because of our People – the jewel of Bhutan. Throughout history our people have always worked as One Nation with One Vision. So, today, it is my hope that you will uphold this unity of spirit and purpose and resolve all disagreements in the interest of our People and Country, now and in the future.

Tashi Delek

XVI. EXPRESSION OF APPRECIATION TO HIS MAJESTY THE KING

The Prime Minister on behalf of the Parliament expressed appreciation to His Majesty the King for commanding HRH Dechen Yangzom Wangchuck for visiting the bereaved families of the seven students of Tsimalakha School who were washed away by the Wangchu to offer condolence and Kidu. The inability to save the lives of the students despite the selfless efforts made by the parents, Dzongkhag officials and the Royal Bhutan Police and Army has become a cause of immense grief. The Government deputed the Minister for Education and the Education Secretary to meet with the parents of the deceased and there are plans to formulate policies and strategies to prevent such future disasters.

Secondly, the Druk Phunsum Tshokpa Party had to shoulder additional responsibility under the newly formed

democratic system as the first Government and Parliament. He informed that the Parliament endorsed three Acts to be submitted to His Majesty the King for Royal Assent. The two urgent bills which could not be endorsed during the Third Session of the First Parliament is not due to the disagreements between the Government and between the two Houses but considering the importance of the bill in the interest of the people and the country the adoption of the bills was deferred for further deliberation.

The **Leader of the Opposition** while expressing his appreciation to His Majesty the King also commended the media for covering the proceedings of the Third Session of the First Parliament in a fair and balanced manner to the general public on daily basis. This benefitted the people in informing and understanding the proceedings of the Houses in the absence of live television coverage. The two Bills which were not passed would be extensively deliberated and decided between the Houses as per the provision of the Constitution. He further urged that, the people should serve the country with loyalty, dedication and diligence as per the decentralization policy initiated by His Majesty the King.

The **National Council Chairperson** expressed his appreciation to His Majesty the King for commending the

Members of the Parliament and Druk Phuensum Tshokpa Government for successfully running the Government within a short span of time. He also expressed his gratitude to His Majesty the King for providing valuable advice and guidance for the current benefit and future welfare. Further, he offered prayers for the long life of His Majesty the King, The Fourth Druk Gyalpo and the Members of the Royal Family. The Third Session of the First Parliament concluded on 30th July 2009 corresponding to the 9th Day of the 6th Month of Earth Female Ox Year with offering of Tashi Moenlam.



30 July, 2009

Sd/-
(Jigme Tshultrim)
Speaker

XVII. List of Documents Distributed

1. The Civil Service Bill of the Kingdom of Bhutan, 2009 (Urgent Bill)
2. Local Government (Amendment) Bill, 2009 (Urgent Bill)
3. Service Conditions for the Holders of Constitutional Offices Act of the Kingdom of Bhutan, 2009
4. Royal Monetary Authority (Amendment) Bill, 2009
5. Tobacco Control Bill, 2009
6. Standards Bill of the Kingdom of Bhutan, 2009
7. The Optional Protocol to the Convention on the Rights of the Child (CRC) on the Sale of Children, Child Prostitution and Child Pornography
8. The Optional Protocol to the Convention on the Rights of the Child (CRC) on the Involvement of Children in Armed Conflict
- 9.A copy of the resolution of the National Council on the rite of passage of the Budget Bill

List of the National Assembly Members who participated in the Third Session of the First Parliament

1. Speaker, Jigme Tshultim, Radhi-Sakteng constituency, Trashigang Dzongkhag
2. Prime Minister, Jigme Yoezer Thinley, Nanong-Shumar constituency, Pemagatshel Dzongkhag
3. Lyonpo Yeshe Zimba, South Thimthrom constituency, Thimphu Dzongkhag
4. Lyonpo Khandu Wangchuck, Langong-Wangcha constituency, Paro Dzongkhag
5. Lyonpo Wangdi Norbu, Bartsam-Shongphu constituency, Trashigang Dzongkhag
6. Lyonpo Ugyen Tshering, Kawang, Lingshi-Soe-Naro constituency, Thimphu Dzongkhag
7. Lyonpo Zanglay Dukpa, Khar-Yurung constituency, Pemagatshel Dzongkhag
8. Lyonpo Minjur Dorji, Kanglung-Uzorong constituency, Trashigang Dzongkhag
9. Lyonpo Thakhur Singh Powdyel, Dorokha-Tading constituency, Samtse Dzongkhag
10. Lyonpo Dr.Pema Jamtsho, Choekhor-Tang constituency, Bumthang Dzongkhag
11. Lyonpo Nandalal Rai, Shompangkha constituency, Sarpang Dzongkhag
12. Lyonpo Dorji Wangdi, Panbang constituency, Zhemgang Dzongkhag
13. Leader of Opposition, Tshering Tobgay, Sombeykha constituency, Haa Dzongkhag
14. Deputy Speaker, Yangku Tshering Sherpa, Kikhorthang-Mendrelgang constituency, Tsirang Dzongkhag
15. Karma Wangchuck, Chumey-Ura constituency, Bumthang Dzongkhag
16. Ugyen Tshering, Bongo-Chapcha constituency, Chukha Dzongkhag
17. Chencho Dorji, Phuentsholing constituency, Chukha Dzongkhag

18. Sonam Jamtsho, Drugyalgang-Tsezang constituency, Dagana Dzongkhag
19. Heman Guruang, Lhamoizingkha-Tashiding constituency, Dagana Dzongkhag
20. Kinley Dorji, Goenkhomey-Lunana constituency, Gasar Dzongkhag
21. Damchoe Dorji, Goen-Khatoe-Laya constituency, Gasar Dzongkhag
22. Ugyen Tenzin, Bji-Katsho constituency, Haa Dzongkhag
23. Karma Rangdol, Menjay-Gangzur constituency, Lhuentse Dzongkhag
24. Tshering Tenzin, Menbi-Tsengkhag constituency, Lhuentse Dzongkhag
25. Ugyen Wangdi, Dremitse-Ngatshang constituency, Mongar Dzongkhag
26. Sonam Penjor, Kengkhag-Weringla constituency, Mongar Dzongkhag
27. Karma Lhamo, Mongar constituency, Mongar Dzongkhag
28. Chencho Dorji, Dogar-Shaba constituency, Paro Dzongkhag
29. Choida Jamtsho, Nganglam constituency, Pemagatshel Dzongkhag
30. Tshering Penjor, Kabji-Talo constituency, Punakha Dzongkhag
31. Namgay Wangchuck, Lingmu-Toewang constituency, Punakha Dzongkhag
32. Ugyen Dorji, Dewathang-Gomdar constituency, Samdrup Jongkhag Dzongkhag
33. Norbu Wangzom, Jomo-Tsangkhag-Martsala constituency, Samdrup Jongkhag Dzongkhag
34. Prahlad Gurung, Pagli-Samtse constituency, Samtse Dzongkhag
35. Durga Prasad Chhetri, Sipsoo constituency, Samtse Dzongkhag
36. Lila Pradhan, Ugyentse-Yoeseltse constituency, Samtse Dzongkhag
37. Prem Kumar Gurung, Gelephu constituency, Sarpang Dzongkhag

38. Choeki Wangmo, Thrimshing constituency, Trashigang Dzongkhag
39. Lhatu, Wamrong constituency, Trashigang Dzongkhag
40. Drupthob, Bumdeling-Jamkhar constituency, Tashiyangtse Dzongkhag
41. Kelzang Wangdi, Khamdang-Ramjar constituency, Tashiyangtse Dzongkhag
42. Rinchen Dorji, Drakteng-Langthel constituency, Trongsa Dzongkhag
43. Nidup Zangpo, Nubi-Tangsibji constituency, Trongsa Dzongkhag
44. Narbhadur Gurung, Patale-Tsirang-toe constituency, Tsirang Dzongkhag
45. Passang Thinley, Athang-Thedtsho constituency, Wangdue Phodrang Dzongkhag
46. Gyem Dorji, Nyisho-Sephu constituency, Wangdue Phodrang Dzongkhag
47. Tshering Dorji, Bardo-Trong constituency, Zhemgang Dzongkhag