

**TRANSLATION OF THE PROCEEDINGS AND RESOLUTIONS OF  
THE 82<sup>ND</sup> SESSION OF THE NATIONAL ASSEMBLY OF BHUTAN**

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ANNEXURE I

## TRANSLATION OF THE PROCEEDINGS AND RESOLUTIONS OF THE 82<sup>ND</sup> SESSION OF THE NATIONAL ASSEMBLY OF BHUTAN

### I. INAUGURAL CEREMONY

The 82<sup>nd</sup> session of the National Assembly began on the 11<sup>th</sup> Day of the 5<sup>th</sup> Month of the Wood Monkey Year corresponding to June 28, 2004. His Majesty the King was escorted to the Assembly Hall with *Chipdrel* and *Serdrang* procession. The session commenced with the *Zhugdrel Phuensum Tshogpa*. After the inaugural ceremony, the Speaker addressed the Assembly expressing his hope that all the Honourable Members would extend their full cooperation for the free and fair election of the six Royal Advisory Councillors. A copy of the inaugural speech was distributed to the members and annexed at the end of this resolutions booklet.

### II. ELECTION OF THE ROYAL ADVISORY COUNCILLORS

The term of office of the existing Royal Advisory Councillors would be completed on the 18<sup>th</sup> Day of the 9<sup>th</sup> Month of the Wood Monkey Year corresponding to October 31, 2004. The following contestants from the 20 Dzongkhags represented in the national level election.

| Sl.No. | Dzongkhag   | Name of Candidate | Occupation  |
|--------|-------------|-------------------|---|
| 1.     | Lhuentse    | Jurme Wangdi      | General Manager, Yangphel Tours and Treks                 |
| 2.     | Mongar      | Sangay Wangdi     | Deputy Secretary, Royal Advisory Council                  |
| 3.     | Zhemgang    | Dorji Wangdi      | National Project Manager, Manager, ECRAD Project Zhemgang |
| 4.     | Pemagatshel | Phurba Tenzin     | Sr. Dzongkhag Livestock Officer, Thimphu                  |
| 5.     | Trashigang  | Jangchub Dorji    | Chimi, Samkhar Geog                                       |

|     |                  |                 |   |
|-----|------------------|-----------------|---|
| 6.  | Trashiyangtse    | Sonam Dorji,    | Upper Division Clerk & Computer Operator              |
| 7.  | Bumthang         | Ugyen Dorji     | Chimi, Chhokhor Geog                                  |
| 8.  | Thimphu          | Baap Kuenga     | Vice President,BCCI                                   |
| 9.  | Trongsa          | Tenzin          | Gup, Drateng Geog                                     |
| 10. | Punakha          | Thuji           | Chimi, Guma, Goenshari and Karbi Geogs, Punakha       |
| 11. | Haa              | Dezang Dorji    | Ex-Chimi,Samar Geog                                   |
| 12. | Gasa             | Zeko Dorji      | Regional Manager,FCB,Thimphu                          |
| 13. | Paro             | Sherab Wangchuk | Gup, Wachang Geog, Paro                               |
| 14. | Wangdue          | Sigay Dorji     | Ex-Chimi,Gangtey & Phangyul geogs                     |
| 15. | Samtse           | Sangay Khandu   | Chimi,Tendu Geog                                      |
| 16. | Chhukha          | Nima Gyaltshen  | Gup,Bongo Geog  |
| 17. | Samdrup Jongkhar | Tendrel Zangpo  | Gup,Martsala Geog                                     |
| 18. | Tsirang          | D.B. Sinchuri   | Manager, Youth Centre, Ministry of Education, Thimphu |
| 19. | Sarpang          | Yeshey Dorji    | Businessman, Thimphu                                  |
| 20. | Dagana           | Lhawang Dorji   | Gup, Karnag Geog                                      |

The curriculum vitae of the nominees were circulated to the National Assembly Members on the 7<sup>th</sup> Day of the 5<sup>th</sup> Month of the Wood Monkey Year corresponding to 25 June 2004. The nominees, elected from their respective Dzongkhags of the eastern, western and southern regions, were introduced individually to the Assembly. Mr. Jigme Zangpo, Secretary to the National Assembly, read out the procedures for election to be conducted through secret ballot to the Assembly on the day of the election on the 11<sup>th</sup> Day of the 5<sup>th</sup> Month of the Wood Monkey Year corresponding to 28 June 2004.

Before the votes were cast, the Speaker of the National Assembly urged the members to submit any clarification regarding the election procedures reminding the house that the National Assembly shall not accept any complaint whatsoever after the election was completed. As there was no such submission, the election of the Royal Advisory Councillors commenced.

Out of 150 Members comprising of 10 representatives from the Monk Body, 34 Government representatives, six Royal Advisory Councillors and 100 Chimis, including the Municipality Chimi, a total of 146 members cast their votes, excluding the four people's representatives, who were candidates from their respective Dzongkhags. Among the seven Dzongkhags of eastern region, Mr. Sangay Wangdi from Mongar Dzongkhag and Mr. Jangchub Dorji from Trashigang Dzongkhag won the election with 44 and 37 votes respectively. Mr. Zeko Dorji from Gasa Dzongkhag and Mr. Sigyel Dorji from Wangdue Phodrang Dzongkhag won the election with 29 and 27 votes respectively from the western region comprising of seven Dzongkhags. From the six Dzongkhags of southern region, Mr. D.B.Sinchuri from Tsirang Dzongkhag and Mr. Yeshey Dorji from Sarpang Dzongkhag won the election with 48 and 30 votes respectively.

The six elected councillors will serve their 3-year term of office from the day they receive *dhar* from His Majesty the King. However, in the event the Constitution of the Kingdom of Bhutan was enacted before the completion of their 3-year term, the Royal Advisory Council would have to assume the responsibility of the Upper House. Therefore, as per the Kasho issued by His Majesty the King, the newly elected Councillors would have to relinquish their posts notwithstanding their 3-year term of office.

After the election results were declared, the Speaker congratulated the six winning contestants. The Speaker also expressed his hope that the 14 other contestants would be able to avail the opportunity to participate and win in such elections as per the decentralisation policy initiated by His Majesty the King. The election of the Royal Advisory Councillors concluded on June 28, 2004.

### III. REPORT ON THE PERFORMANCE OF THE GOVERNMENT IN THE PAST YEAR

The Prime Minister presented a report on the performance of the Government in the past one year. Before the presentation, the Prime Minister reminded the house on the passing away of the Royal Grand Mother, Her Majesty Ashi Phuntsho Choden Wangchuck. The Prime Minister said that Her Majesty was the lineage of the Wangchuck dynasty as well as the icon of precious link with our glorious past. Moreover, she was a matriarch whose long and amazing life had touched and comforted all sections of our society. Therefore, it was certain that Her Majesty has ascended to the glorious realm of Guru Rinpoche's Zangdo Pelri in her true form as Khandro Moenbi Khedron.

The Prime Minister presented the report comprising of four pillars. Beside the presentation, a 112-paged booklet of the report was also circulated to the members. The Prime Minister before presenting the report of the government in the past year briefed the house on the military operation against the militants, the process of democratisation initiated by His Majesty the King, the successful completion of the first term of office of the elected council of ministers and the establishment of a stronger government with the election of 4 additional ministers.

The Prime Minister said that His Majesty the King has put Bhutan on the path of a unique process of development based on the development



philosophy of Gross National Happiness. Moreover, it was our responsibility to ensure that the nation remained true to His Majesty's philosophy, unwavering in its conviction that true development could only be pursued through judicious balance between the spiritual and material advancement. The Prime Minister presented his report, structured on the basis of the architecture of the Gross National Happiness comprising of Four Pillars.

**First Pillar: Sustainable and equitable socio-economic development**

The Prime Minister said that the primary objective of the Royal Government was to improve the physical, intellectual, social and economic well-being of the people through the provision of health care, education, social and economic services. As per the wise guidance and farsighted leadership of His Majesty the King, the guiding principle was to improve the equitable distribution and access to benefits of socio-economic development. Moreover, as per the command of His Majesty the King, the Royal Government was continuing to prioritise the fulfilment of self-reliance at a time when Bhutan was undergoing rapid economic development despite the resource gaps. The Prime Minister also reported on the health, education, agriculture and forestry, electricity, trade, commerce and industries, tourism and its challenges, roads and bridges, urban development and housing, information and communications, air services, information and media, employment policy and legislations, awareness and skills development. Moreover, it was reported that unemployment was never a problem in the past, but there was an increasing number of youth entering the job market. Given the major concern that the members have shown on the employment of youth, a special report would be submitted by the Ministry of Labour and Human Resources.

One of the major challenges faced by the Ministry of Health was the prevention of HIV/AIDS in the country. Moreover, since the first case of disease was detected in the country in 1993, 50 people have been infected and 10 have already died of the disease so far.

To enhance the education level and skills, the Royal University was established on June 2, 2003 as envisioned by His Majesty the King over the last 25 years. His Royal Highness the Crown Prince Dasho Jigme Khesar Namgyal Wangchuck's assuming as the first Chancellor of the Royal University would usher the university in attaining the highest of standards, promoting excellence in the institutions of higher learning.

One of the major challenges related to agriculture where the loss of precious agriculture land to urbanisation has resulted in the problem of insufficient agriculture land and increase in rural-urban migration. Today more than 70 percent of the urban dwellers were rural migrants.

### **Second Pillar: Conservation of Fragile Environment**

The Prime Minister said that under the personal initiatives and continued guidance of His Majesty the King, Bhutan has developed one of the stringent sets of policies and programmes for environment conservation, protecting the amazing bio-diversity in the world. Bhutan's success and commitment in the environment programme was being greatly appreciated all over the world. The Prime Minister also presented a report on the compliance of laws, studies and research, awareness programme and projects, and challenges in conservation of environment. Moreover, there was a risk that the wildlife and forest cover in the country would be depleted resulting in abandonment of villages over a period of time due to urban growth, solid waste disposal, air pollution, land degradation, pollution arising from irresponsible actions taken elsewhere in the neighbourhood, global warming, and ozone depletion.

Therefore, it was imperative that immediate action was taken to tackle these issues.

### **Third Pillar: Preservation and Promotion of Culture**

The Prime Minister said that the Royal Government's determination to institute and strengthen the cultural pillar to preserve the architecture of our nation's development process was significant. The Government has pursued to strengthen the cultural pillar under various programmes, implemented separately or through collaboration with all the ministries and agencies in both the public and private sectors. The presentation included report on the national security, religion, language and literature, national language, art and architecture, restoration of Semtokha Dzong and Dechenphug Lhakhang, performing arts, national dress, Driglam Namzha, sports and recreation. However, the maintenance of the existing Lhakhangs was more important than constructing new ones. It was essential that with changing times, the lyrics and tunes of modern Bhutanese songs should be composed in conformity with our culture without imitating from other countries. Further, it was imperative that the parents should advise and guide their children in upholding the culture of respecting our elders and the tradition of hallowed extended family structure and values.

### **Fourth Pillar: Good Governance**

The Prime Minister reported to the house that His Majesty the King has time and again commanded that the Government must be responsive to the needs, interests and aspirations of the people. To strengthen the Government, four new ministries and departments along with several agencies were established. Accountability, transparency, justice, equality and empowerment were essential components of good governance and principles that form the essence of democracy.

The Prime Minister reported that the second draft of the Constitution of the Kingdom of Bhutan was submitted to His Majesty the King in June 2003. Continuous effort was being made to maintain and promote transparency, efficiency and accountability of the Government. As per the decentralisation policy initiated by His Majesty the King, it was crucial to strengthen the local governance capacity. Since the civil service was the backbone of good governance, it was important to enhance the dedication and capability of the civil servants. Furthermore, the Royal Government was emphasising on the judicious use of public resources. As per the Pension Scheme, the National Pension and Provident Fund (NPPF) started providing pension benefits to members from July 2003 after it was established in March 2000. As of February 2004, a total of 283 employees, from both civil service and armed forces, have availed pension benefits. The pension scheme included the security forces and corporations under its scheme and it was being planned that all the employees in the private sector would also be covered in the future. The NPPF has constructed four housing complex in the past year and allotted to the tenants. 15 new buildings were under construction at present. A housing scheme for the pension members was launched in July last year to help NPPF members construct or buy residential houses at an interest rate of 10 percent per annum.

### **National Security**

The Prime Minister said that as per the resolutions of the 81<sup>st</sup> Session of the National Assembly, the Royal Government continued to pursue bilateral talks with the Nepalese Government to resolve the problem of the people in the camps in eastern Nepal. The 15<sup>th</sup> Ministerial Joint Committee meeting resolved that the appeals submitted by the people in category 3 would be reviewed, the people would be briefed on the procedures for completing the various forms, and the agreed forms

would be distributed and compiled between December 2003 and January 2004. The implementation of the outcome of the joint verification work in Khudunabari camp was scheduled to begin by mid February 2004. The two sides had also identified the Sanichare camp as the next camp for verification.

However, the bilateral process received a regrettable setback on 22<sup>nd</sup> December 2003 when the people in Khudunabari camp in Nepal physically assaulted and verbally abused the Bhutanese members of the Joint Verification Team seriously injuring three of our senior officials. Therefore, the Royal Government has urged the Nepalese Government to conduct a thorough investigation of the incident, identifying and taking the culprits to justice. The investigation report had been received and the two governments were currently examining ways of resuming the verification process.

### **Foreign Relations**

The Prime Minister in his report said that guided by the farsighted leadership of His Majesty the King, Bhutan continued to develop and maintain friendly relations with all countries in the world. Currently, Bhutan has diplomatic relations with 22 countries and Honorary Consuls in 10 countries. As Bhutan's development was being promoted through diplomatic missions, Bhutan received international recognition and fulfilment of important foreign policy objectives.

In order to further strengthen Bhutan-India relations, His Majesty the King paid a State visit to India from 14-18 September 2003. During the royal visit, the quantum of Government of India's assistance for Bhutan's Ninth Five Year Plan was finalized. The two governments also signed a Memorandum of Understanding for the preparation of the proposed 870 MW Punatshangchu Hydroelectric Project. His Royal

Highness the Crown Prince Dasho Jigme Khesar Namgyal Wangchuck also paid a goodwill visit to India in August 2003. During the royal visit, His Royal Highness established the India-Bhutan Foundation and assumed the office of the President of India-Bhutan Friendship Association in 2003. The Foreign Minister paid a visit to India in June 2004 and met with the officials of the newly formed Government of India further strengthening the Indo-Bhutan diplomatic relations.

The 17<sup>th</sup> round of Bhutan-China boundary talks was held in Thimphu in April 2003. Mr. Wang Yi, the Vice Foreign Minister, led the Chinese delegation. The meeting expressed the desire of both the countries to demarcate the boundary at the earliest and agreed to form a technical expert group to review the respective claim lines. Bhutan has actively participated in the SAARC summit on poverty alleviation, economic development and other developmental activities. Moreover, since our membership in the United Nations in 1971, Bhutan has continued to play an increasingly active role in the international arena. As Bhutan was a member of the UN Economics and Social Council and UN Commission on Human Rights, Bhutan has been continuing to reap benefits from technical as well as financial assistance.

The Royal Government continued to maintain close contact with our development partners on issues related to economic and political developments in the country. The donor community and the international organisations recognised and appreciated Bhutan for the effective and efficient utilisation of development assistance for the benefit of the people.

Since the inception of the National Assembly in 1953, the number of legislation has increased dramatically. This has helped enhance the rule of law in a climate of rapid social, economic and political changes. The

National Assembly being the highest decision-making body in the country passes and amends legislation.

His Majesty the King has commanded that Bhutan's law must serve the people equally and cases must be resolved impartially and delivered without delay. The National Judicial Commission was established on August 30, 2003 to professionalise and further strengthen the capability of the Judiciary. Bhutan also became the member of the SAARCLAW.

The Prime Minister expressed profound appreciation to His Holiness the Je Khenpo and the Monk Body for performing the Kurims at the time when our nation was undergoing difficult times. The ecclesiastical body also consecrated a Thongdrol of the Guru Rinpoche on the 9<sup>th</sup> Day of the 5<sup>th</sup> Month of the Wood Monkey Year. The Prime Minister expressed deep appreciation to the Zhung Dratshang for raising additional important nangtens in the country.

The Prime Minister also expressed appreciation to the incumbent Royal Advisory Councillors who would be completing their term of office in October 31 this year for their valuable contributions in discharging important responsibilities of the Lhengye Zhungtshog. The Prime Minister, on behalf of the Government wished them success in their future endeavours and hoped that they would continue to work for the cause of the people and the nation at their respective constituencies. The Prime Minister also extended hearty Tashi Delek to the newly elected councillors.

The Prime Minister expressed profound gratitude to His Majesty the King for providing guidance and inspiration as well as for placing trust and confidence to the Lhengye Zhungtshog. The Prime Minister also expressed his appreciation to the Members of the National Assembly

and all others for providing valuable cooperation and support in fulfilling the sacred duty to the Tsa-Wa-Sum.

The Prime Minister on behalf of the people and the Royal Government offered profound gratitude to His Majesty the King for his love and care and the sacrifice that he has made for the happiness of the Bhutanese people. The Prime Minister assured to renew our pledge of unwavering loyalty to His Majesty the King and offered prayers for the long life of His Majesty the King.

The National Assembly commended the Royal Government on the concerted efforts and achievements of the government in the past year. The members submitted that experienced doctors in the Health Ministry should be retained in the hospitals for the benefit of the common people without transferring them to other agencies to take up administrative responsibility. The members also submitted that the establishment of private hospitals should be allowed for the benefit of affluent people living in urban areas.

The capable people of the villages had migrated to urban centres leaving the rural agriculture land barren, thus multiplying the people seeking for land kidu. Like the parable “benefiting the bad people and cultivating the wasteland”, the members expressed that it was important for the government to provide agricultural machineries to the people living in the villages. Otherwise, the capable people would continue to abandon their villages leaving the agriculture land fallow.

The members expressed their gratitude to the Royal Government for commercialising the Yartsa Goenbub (Cordyceps) for the benefit of the people living in highlands and taking the decision for the early



construction of Samtse-Phuentsholing highway. The members expressed their hope that the government would also identify industrial sites in these areas without delay.

Some of the members submitted that irrespective of the numerous reports issued by the Royal Audit Authority, the degree of corruption both in the government and private sector would increase, if there were no one to follow up on the reports. Therefore, it was important for the government to take appropriate measures to tackle this issue. If the Audit Chathrim was drafted and endorsed in the 83<sup>rd</sup> session of the National Assembly, the employees of the Royal Audit Authority would be protected from fear and threat, further strengthening the autonomy of the Royal Audit Authority.

Some of the National Assembly Members said that although the people of Bhutan depended on subsistence farming, most of the productive land had been included in the urban areas. The people would like to be clarified as to how much land would be included in the urban areas in the future.

As per the command of His Majesty the King, a Constitution was being drafted to institute the democratic principles in the country. The people requested His Majesty the King, in spite of the difficulties, to visit the Dzongkhags and geogs to explain the provisions of the Constitution to the people before it was endorsed by the National Assembly. Moreover, the members expressed that the issue should be included in the resolutions of the National Assembly for the proper dissemination of information to the people.

The members expressed their gratitude for granting autonomy to the Royal Civil Service Commission and the appointment of new commission members based on the resolution of the 81<sup>st</sup> session of the National Assembly.

One of the responsibilities of the Bhutan Broadcasting Service and the Kuensel Corporation was to help in the development of the national language. While there were some shortcomings while taking up this important responsibility, increased importance would be accorded as these agencies had direct access to the common people.

Some of the members sought clarification on the renovation of the Semtokha Dzong and the reasons for re-locating the Chukha Dzong. While some of the members submitted that the supply of electricity to some of the villages had benefited the rural people immensely, they also expressed their gratitude to the government for identifying industrial areas and submitted that necessary arrangements should be made to provide services to the people as outlined in the 9<sup>th</sup> plan.

The Yangbi Lupon on behalf of the Monk Body expressed gratitude to the Prime Minister for the presentation of the report on the performance of the government in the past one year. He said that attainment of religious, political and development activities would depend on the spiritual motivation and any work or deed performed with sound motives would be achieved.

The Speaker noted that if the doubt expressed by the members on the government's report were not covered, the issues would be clarified during the deliberation of the points as reflected in the agenda. The effective implementation and achievement on the activities of socio-

economic development, conservation of environment, preservation and promotion of culture and good governance success in the past year were possible primarily due to the effective performance of the government as per the devolution of power initiated by His Majesty the King. The National Assembly commended the performance of the government and the deliberation on the report of the government in the past year concluded on 29 June, 2004.

#### IV. REVIEW OF THE FINANCIAL YEAR 2003-2004 AND PRESENTATION OF THE YEAR 2004-2005 BUDGET

The Finance Minister presented the review of the financial year 2003-2004 and the National Budget for the financial year 2004-2005 to the Assembly. He expressed special appreciation to His Majesty the King, Royal Bhutan Army, militia volunteers and all the religious bodies for resolving the militant problem.

In the fiscal year 2002-2003, the total Gross Domestic Product (GDP) increased to 6.5 percent and balance of trade stood at 11 percent of the GDP. Foreign reserve stood at USD 366.71 million, sufficient to cover around 22 months of total imports. Convertible currency reserves of USD 288.28 million account for around 78.6 percent of the total international reserves. Inflation rate dropped to 1.3 percent. Domestic credit to the private sector has increased by 35 percent. Unemployment has increased from 1.9 to 2.7 percent, which is still relatively low. The Finance Minister reported that generally Bhutan witnessed very progressive socio-economic development.

The total budget outlay for the fiscal year 2003-2004 was Nu. 12,479.638 million. Due to the increase in both capital and recurrent

expenditure, the total budget has increased by around 8 percent. Though there was resource shortfall of Nu. 176 million in programme grants, the revised resource gap was still substantially lower than the past years within the projected resource gap for the Ninth Plan.

The total budget allocation for the financial year 2004-2005 was Nu. 13,622 million representing about 9 percent increase from the revised budget due to development activities in the rural areas and Dzongkhags. Therefore, capital expenditure budget constitute 53 percent of the total outlay.

Budget of Nu. 179.25 million and Nu. 150 million has been allocated for the construction of housing for the low income group in Thimphu and other Dzongkhags. Similarly, budget of Nu. 187.708 million was earmarked for the purchase of new aircrafts and Nu. 135 million have been allocated for the construction of a hanger. Out of the total budget of Nu. 1,442 million for road construction, 41 percent was allocated for the construction of new roads and bridges. A budget of Nu. 175.097 million has been allocated for road maintenance including Nu. 70 million for monsoon damaged road restoration works. The budget outlay for infrastructure, including the census programme, account for around 64 percent of the capital expenditure and about 8 percent of the capital expenditure budget outlay was allocated for human resource development.

Current expenditure increased by about 7 percent due to wage bills, the single largest item, accounting to 38 percent. Interest payments constitute around 6 percent, subsidies to corporations 4 percent, and 8 percent of the current expenditure budget has been provided for maintenance of infrastructure.

Based on the policy of decentralisation, a total of Nu. 452 million has been allocated for planned activities in the geogs during the Ninth Plan. The total budget provision was 31 percent more than the previous year, accounting for about 22 percent of the budget outlay, excluding the budget allocation of the centrally executed activities. This would deliver direct benefits to the Dzongkags and geogs and support community capacity strengthening in the geogs.

In the sector allocation during 2004-2005 fiscal year, around 33 percent of the total budget outlay has been allocated for general public services. A budget provision of Nu. 154 million has been allocated to provide subsidised farm road equipment and machinery. Similarly, 27 percent of the budget outlay has been allocated for social service sector. Bhutan's ranking in the UN Human Development Index pertaining to the social service sector has improved from 145 in 1999 to 136 out of 175 countries in 2001.

A budget of Nu. 572 million has been earmarked for the development of educational infrastructure. Considering the Millennium Development Goals on Primary Education for all by 2015, a budget provision of Nu. 178 million has been kept for the overall human resource development programme.

A budget provision of Nu. 488 million has been allocated to enhance and access to the quality of secondary and tertiary health services. The Jigme Dorji Wangchuck National Referral Hospital in Thimphu and Referral Hospital at Mongar were being expanded to provide treatment to the patients within the country. The budget also accorded due importance on the prevention of HIV/AIDS.

A budget provision of Nu. 127 million has been earmarked to enhance the research capacity and establishment of a training centre to support rural development.

A budget provision of Nu. 10 million has been allocated to establish an industrial estate in Pasakha. Similarly, budget provision has also been allocated for preliminary works in some other areas. In order to establish a Hotel and Tourism Management Training Institute, a budget provision of Nu. 29.3 million has been allocated. Total budget of Nu. 74. 464 million has been allocated for the information and communications sector.

A budget provision of Nu. 242 million has been allocated for rural electrification. Since the internal revenue would meet only about 42 percent of the total expenditure, it was imperative for the Royal Government to resort to 32 percent grant and 10 percent soft loan despite cautious loan policy. About 10 percent of the total budget was expected to be mobilised from external borrowings. However, in the current financial year, the total non tax revenue was expected to increase by 11 percent.

Besides allocating budget of Nu. 327.593 million to the Ministry of Labour and Human Resources to solve the unemployment problem, a budget provision of Nu. 178.819 million have been allocated for the expansion of vocational training opportunities. With the aim to enhance self employment opportunities, an initial capital of 2 million has been earmarked to finance new entrepreneurs, who have no collateral assets to start a new business venture.

His Majesty the King with deep concern for the welfare of the people living in the security affected areas, waived off the rural taxes and business income tax for the small business owners in the remote areas for the year 2003 as per the resolutions of the National Assembly.

It was reported that Bhutan had good relations with our development partners. They have complete satisfaction regarding the Bhutanese Government's policy on the proper utilization of aid. The government was committed to ensure judicious use of foreign aids. The house expressed appreciation to all the development partners, particularly to the Government of India.

Borrowing from domestic financial markets was expected to be 7 percent of the total budget outlay for the coming year. The resource gap of Nu. 891.847 million in external grant had to be absorbed through domestic borrowings. The total accumulated fund of the three trust funds was USD 46.245 million.

It was reported that the financial sectors continued to perform well in the past financial year. Moreover, the pension and provident fund plan initiated as per the command of His Majesty the King for the benefit of the civil servants has generated substantive results.

The National Assembly Members expressed their gratitude to the Finance Minister for the comprehensive presentation of 2004-2005 budget and the report on the financial year 2003-2004. The Members submitted that the inadmissible TA/DA claims by the members in the past years would affect the overall fund of the government. They also expressed their doubt as to who would ensure checks and balance in the

government if they themselves practised false and irregular travel claims.

Similarly, some of the members shared whether the civil servants or elected representatives claimed inadmissible TA/DA mainly triggered by insufficient income to pay the house rents and to lead a secured life. They also said that the TA/DA should be discontinued and merged with the salary of the civil servants to avoid corrupt practice. Most of the members expressed urgency in revising the salary of the civil servants.

Likewise, some of the members submitted that with the increasing number of vehicles, the construction of a two-lane Phuentsholing-Thimphu highway, a lifeline of the private sector, economic and trade development, must be initiated and maintained expeditiously as budgeted. The members also submitted that the possibility of awarding the work to experienced Bhutanese contractors within a range of 5-6 Km must also be explored to provide employment opportunities to the youth and enhance the technical capability of the contractors besides awarding the contract to project DANTAK. The members on behalf of all the Bhutanese people expressed their appreciation to project DANTAK for maintaining the highway with the assistance of the Government of India.

Some of the members said that if the government could provide collateral free loans to the unemployed youth and uniformly reduce the interest rates in all the financial institutions, the private sector would be immensely benefited. The government should explore the possibility of reducing the interest rates of the rural credit to the lowest possible for the development of industries and private sector. The fast and timely release of budgets would facilitate timely completion of the planned development programme in the geogs and Dzongkhags.



Despite the Royal Government's kidu for the improvement in the lives of the people in the rural areas, more people continued to migrate to urban centres. Therefore, the government should provide basic social services in the rural areas to minimise the problem of rural-urban migration. Moreover, it would benefit everyone if the draft Public Finance Act was submitted and endorsed in view of the current situation.

Responding to the the issue of curtailing corruption and discrepancies by discontinuing the TA/DA of the civil servants and the Chimis, the Finance Minsiter said that the government was not in a position to increase the salary due to the budget deficit of Nu. 891 million in the current year. Doing away with the TA/DA would be an impediment to officials travelling long distances in the remote areas. Therefore, unless detailed study was carried out, the Finance Ministry would not be able to decide on the salary increase.

The Finance Minister also said that the officials of the respective ministries and departments strictly adhere to the reports of the Royal Audit Authority. Moreover, it was the responsibility of the ministers and officials of the ministries, departments and agencies concerned to adhere to the audit reports. The Council of Ministers was also scrutinising whether the audit report has been followed up. If there were shortages reflected against the name of a civil servant in the audit report, an audit clearance certificate was required to be produced, failing which the civil servant would be barred from the opportunities of training, promotion and other benefits. Such system, which was unique to Bhutan, has supported and benefited while implementing the financial rules.

Furthermore, it has been enshrined in the Civil Service Rules that a civil servant would be penalised as per the degree of offence and could be even terminated without any benefit. Moreover, if the offence was serious, the case was charge sheeted in the Court of Justice.

Due to the strict compliance of the audit report by the officials of the ministries and departments concerned, a sum of Nu. 27 million, which was 75 percent, had been recovered out of the irregularities reflected in the audit report in 2002.

Responding to the submission to promote private enterprises through the reduction of interest rates in the banks, the Finance Minister informed that out of four financial institutions in Bhutan, only two were commercial banks. If the interest rates were reduced as per the request of the people, there was a risk that the financial institutions would be bankrupt. As the financial sector had been developing as per the guidance of His Majesty the King, efforts should be made to further develop these institutions. If we allow them to run on loss, the financial institutions would face severe difficulties. Therefore, the Finance Ministry would submit a report after conducting thorough study on the benefits and detriments of reducing the interest rates.

In response to the timely release of budgets, the Finance Minister informed the House that certain procedures had to be followed before releasing the budget during the initial implementation of the decentralization process. Since implementation of the plan was important, programme had already been scheduled to release the budget without delay.

Some of the people' representatives submitted that as the motor road was important for the country, construction of motor road should be accorded top priority. Because of close relationship between India and Bhutan, project DANTAK had been assisting in maintaining the motor roads in Bhutan besides the financial assistance from the Government of India. Therefore, the members expressed their gratitude to the Government of India for providing financial assistance. If the contract for the widening of Phuntsholing-Thimphu highway would be awarded to Bhutanese contractors, this would help in alleviating the unemployment problems of youth in the country. The Finance Ministry should also release the Geog budget on time. It was also submitted that the government would reduce the interest rates of the rural loan from 13 to 10 percent for the welfare of the people living in the villages.

The Minister for Works and Human Settlement informed the house that since the Phuentsholing-Thimphu highway was the lifeline of the country, the government has decided to widen and double-lane the road during the Ninth plan at the cost of Nu. 179 million. The government and the Ministry of Works and Human Settlement would bear in mind about the submission made by the members that if the contract for the construction of the motor road were divided and awarded to the Bhutanese contractors, it would benefit in the timely completion of the work. This issue would be discussed with the officials of the Indian Government and find solutions of awarding the work to the Bhutanese contractors. The government had decided to construct a by-pass road along the Damchu-Chukha highway during the 9<sup>th</sup> Plan reducing the Thimphu Phuntsholing highway by about 25 kms.

In response to the submission made by the members, the Prime Minister informed the house that a budget of Nu 142 million has been allocated

for the construction of the Chukha Dzong. As it was important to accord long term stability, the Dzong would be built on the earlier site provided the feasibility study team did not find any problem. If the team reported serious problem, the Home Ministry will carry out detailed study and submit a report to the Lhengye Zhungtshog for decision.

The Prime Minister said that as Semtokha Dzong was the first and the oldest Dzong in the history of Bhutan, it would be renovated and centre for *Gar Thig Yang Sum* and necessary religious services would be established in the Dzong. Moreover, a place for conferring *wang, lung* and *thri* and meditation centres would be instituted making it the epicentre of Buddha Dharma. Therefore, the Dratshang Lhentshog and the Department of Cultural Affairs would initiate the renovation of the Dzong.

The Prime Minister also informed the house that although the Royal Audit Authority had submitted a draft Audit Act to the Council of Ministers, the draft Act could not be submitted to the Assembly as many Acts needed to be passed during the current session. Moreover, His Majesty the King has issued a Kasho to retain the Royal Audit Authority as an autonomous agency. Despite the clearly delineated roles of the Royal Audit Authority, the rules of procedures needed to be drafted. However, changes would automatically come into force once the Constitution was enacted.

The Minister for Health in response to the question raised by the Members informed the house that out of 144 medical doctors in Bhutan, about 131 doctors which was 90 percent were working in the hospitals. The percentage would be maintained as per the policy of the Royal Government. Out of 60 specialists working in the hospitals, 29 were

Bhutanese and 31 expatriate doctors. The Government of Myanmar has provided 24 medical doctors. The Ministry of Health expressed appreciation for providing training opportunities for the Bhutanese doctors. The present six doctors performing administrative functions were appointed as per the post approved by the Royal Civil Service Commission. The commission after thorough study had decided to maintain the placement of doctors for administrative functions at 5 percent. At present, it was maintained within 4.2% as per the approval of the commission. The problem of shortage of doctors for the time being was mainly due to Bhutanese doctors being sent abroad for advanced professional training course. There were six doctors serving in different health programmes and teaching profession. Since they were working in the programmes related to Health and specialized medical professionals, it would not fall under the administrative purview.

Regarding establishment of private hospitals, Bhutan continued to provide free health services to the people as per the wish of His Majesty the King and the current health services coverage was 90 percent. Moreover, the health sector had been guided by the important health policies of treatment, prevention and nurture. As the private hospital would concentrate only on profit contravening the health policies, there was a risk that two sets of medical policies would prevail in the country. Furthermore, the health sector would have to provide additional doctors and health workers to the private hospitals, causing lots of inconveniences. Therefore, it was too early to establish the private hospitals.

The Chukha Dzongdag said that although the construction of new Dzong had begun, the Royal Government was concerned that misfortune could arise in the future as a result of instability of the land. Therefore, as per the order of the Royal Government to temporarily stop the construction

of the Dzong until the completion of feasibility study, the construction had been deferred from January this year. Moreover, during the feasibility study by a team from the Home Ministry, site for the construction of new Dzong had already been identified in case the shifting the Dzong was required.

The National Assembly commended the Finance Minister for the comprehensive presentation of the financial year 2004-2005 budget and review of the year 2003-2004 budget, and the Prime Minister for the detailed annual report presentation on the performance of the government to the Assembly. After a detailed deliberation on the reports, the National Assembly summarised the discussion into nine points:

1. The National Assembly commended the Royal Audit Authority for regularising 75 percent of the audit reports. It was resolved that the report of the remaining audit period for the year 2003 and the report of the 2004 audit year must be submitted during the 83<sup>rd</sup> session of the National Assembly.
2. Although the draft Audit Act of the Royal Audit Authority had been submitted to the Lhengye Zhungtshog, submission of the draft to the Assembly for endorsement has been postponed as many other Bills needed to be endorsed during the 82<sup>nd</sup> session. The Royal Audit Authority would continue to function as per the Royal Charter issued by His Majesty the King. The National Assembly resolved that the draft Audit Act would be submitted in the 83<sup>rd</sup> session.
3. As it was not viable to reduce daily and travel allowances and increase the salary of the civil servants, the National Assembly

resolved that the Lhengye Zhungtshog must submit a comprehensive report on the revision of salary after conducting a detailed study.

4. The National Assembly resolved that as per the decision of the government and commitment of fund by the Government of India for the expansion of Phuentsholing-Thimphu Highway, the Prime Minister, Ministry of Foreign Affairs and Ministry of Works and Human Settlement must ensure that at least 50 percent of the work was awarded to the Bhutanese contractors through proper diplomatic process with the Government of India.
5. The National Assembly resolved that the Ministry of Finance must study the feasibility of reducing the interest rates on rural loan and conduct comprehensive review of the benefits and detriments of reducing interest rates to the private sectors. The Ministry of Finance should submit a report in the next session of the Assembly.
6. Despite the internal procedural difficulties faced by the Ministry of Finance in releasing the planned budget to the geogs, an alternative mechanism of fund release must be developed to ensure faster and timely completion of the development activities during the remaining two years of the Ninth Plan.
7. It was imperative to accord long term stability than momentary interest with regard to the construction of Chukha Dzong. Therefore, if the assessment team found no major problem, the Dzong would be constructed on the original site. However, if there were major problems, the Ministry of Home and Cultural Affairs should

conduct a detailed study and submit a comprehensive report to the Lhengye Zhungtshog for decision.

8. Since Semtokha Dzong was the first and the oldest Dzong in the history of Bhutan, it was planned to institute a centre for *Gar Thig Yang Sum* in Semtokha Dzong as the epicentre of Buddha Dharma. Therefore, it was resolved that the Department of Cultural Affairs must ensure proper renovation of the Dzong.
9. The medical doctors were being transferred to execute administrative works due to certain administrative problems in executing the scientific administrative functions after deliberation in the civil service commission and it was necessary to follow the same policy hereafter. The medical services were being provided free of cost to the people by the government without any problem. Therefore, it was resolved that free health service facilities would be continued and the establishment of private hospitals would be deferred for the time being.

The better coordination and effort of the Lhengye Zhungtshog to optimise the budget utilisation has generated substantive results every year. Moreover, according to the decentralization policy initiated by His Majesty the King, several plans beneficial to both government and the people had been carried out. It was hoped that the Lhengye Zhungtshog would continue to perform well as in the past. The National Assembly commended the ministers and the Finance Ministry for the information on the resource allocation for the procurement of two aircrafts and machineries for the private sector as well as for foreign reserve. The National Assembly concluded the deliberation on the financial year 2004-2005 budget and 2003-2004 review report on 30 June, 2004.



## V. ISSUES RELATED TO DEVELOPMENTAL ACTIVITIES

### 1. Construction of an internal motor road from Sipsu to Daifam

The people of Sarpang Dzongkhag submitted that the construction of an internal motor road from Sipsu to Daifam was discussed repeatedly in the previous sessions of the National Assembly. Besides the problems faced by the people while commuting through India, risks of robbery and attacks by the militants and their sympathizers have increased. Moreover, there was no proper road to travel from Lhamoizingka to other Dzongkhags especially during the monsoon season.

Some of the members submitted that the construction of Daifam-Sipsu motor road would not only benefit the people of Sarpang, but also the people of other Dzongkhags. Due to the rise in water levels of rivers during the monsoon, the people were not being able to travel. Therefore, the construction of a bridge across the Raitakchu river would benefit all the travellers.

Some of the members said that although the Royal government was aware of the problems faced by the people and the importance of the Daifam-Sipsu motor road, construction has been delayed due to budgetary constraints. In the present situation, the people were allowed to commute twice a week through the Indian states of West Bengal and Assam. Moreover, as the people were escorted by the security force while commuting through India, people were faced with problems when they had to travel due to illness and other important tasks. Therefore, the Royal Government should initiate construction of Daifam-Sipsu motor road by all means.

The Minister for Works and Human Settlement informed the House that the Daifam-Sipsu motor road was identified as a priority project during the past Assembly Session. It was also resolved that the road would be constructed as per the budget provision. Out of a total of about 825 kilometres of the motor road, 572 kilometres of road and 35 new major bridges needed to be constructed while 253 kilometres of road needed to be expanded at a budget of Nu. 7,535 million.

Likewise the construction of new roads and major bridges would require huge sum of money and lots of time. Moreover, as submitted by the Finance Minister, although the road was not included in the 9th plan, the construction would commence from this year as the road was important. The construction would be continued till its completion with the availability of fund.

The National Assembly noted that along with the construction of Daifam-Sipsu motor road, about 825 kilometres would be constructed and maintained. However, the members should be aware of the budgetary constraints faced by the government. The National Assembly resolved that the construction of motor road would be initiated if it was already included in the 9<sup>th</sup> plan budget. However, if the road construction was not included in 9<sup>th</sup> plan budget, the construction should be included in the 10th plan budget. The discussion on the Daifam-Sipsu motor road concluded on July 1, 2004.

## 2. Gyelpozhing-Nganglam Road

The people of Mongar Dzongkhag expressed their appreciation to the Royal Government for the preliminary survey carried out to construct the Gyelpozhing-Nganglam motor road as resolved in the 81<sup>st</sup> session of the National Assembly. This motor road would not only benefit the people of the six eastern Dzongkhags but also the two Dzongkhags of Bumthang and Zhemgang. Since the motor road would also enhance the socio- economic development, the people requested the Royal Government to commence the construction at the earliest.

During the deliberation in the National Assembly, some of the members pointed out that although this matter had been discussed and resolved in the past sessions of the Assembly, the construction had been delayed because of the security problem. The people expressed their appreciation to His Majesty the King and the three armed forces for solving the security problem within a short span of time. The motor road would be constructed at the earliest as per the resolutions of the National Assembly by considering the benefits of providing proper communication access, tourism, trade and commerce to the people of the six eastern Dzongkhags with the other Dzongkhags.

Some of the members expressed their appreciation to the Indian Government for providing financial support to construct the Gyelpozhing-Nganglam motor road. The contract for the construction of road should be awarded to the Bhutanese contractors, which would enhance their experience and capability in road and bridge construction. This would also increase the income

of the people and reduce the unemployment problem. Moreover, it was important for the Royal Government to invite quotations from Bhutanese contractors and discontinue awarding the contracts to the expatriate contractors only.

The Minister for Works and Human Settlement said that although the construction of Gyelpozhing-Nganglam motor road was resolved to be started in the Ninth plan, the construction could not be initiated due to security problems. The Gyelpozhing-Nganglam motor road would require construction of about 67 kilometres of road and three bridges. About 25 kilometres of the motor road would be constructed in the 9<sup>th</sup> plan at a cost of Nu. 203.9 million, being provided as grant by the Government of India. The Department of Roads in collaboration with Project DANTAK had already assessed the stability of the area and estimates for the 10 kilometres of motor road have been completed.

The Royal Government was endeavouring to award the contract for road construction to the Bhutanese contractors and the issue had been discussed with the Government of India. Although the Government of India stated that the construction of the motor road had to be carried out by Project DANTAK, final decision had not been taken. The Royal Government expressed the hope that the construction of road would be started and completed at the earliest irrespective of awarding the contract to any party.

The National Assembly noted that the construction of the Gyelpozhing-Nganglam motor road could not be initiated in the Ninth plan as per the decision of the 80<sup>th</sup> Session of the Assembly due to security problem in the country. The National Assembly

expressed its appreciation to the Government of India for providing financial assistance to construct 67 kilometres of motor road and three bridges. The National Assembly resolved that the Royal Government should initiate construction of 25 kilometres of the motor road in the Ninth plan. The Royal Government should also hold talks with the Government of India and award 50 percent of the Gyelpozhing-Nganglam motor road construction to the Bhutanese contractors. The deliberation on Gyelpozhing-Nganglam motor road concluded on July 1, 2004.

### 3. Samtse-Phuentsholing Highway

The people of Samtse Dzongkhag and the Bhutan Chamber of Commerce and Industry submitted that the first phase of Samtse-Phuentsholing highway would begin with the construction of 10 kilometres of motor road as per the resolutions of the 81<sup>st</sup> Session. The establishment of an internal road-link connecting Samtse with other Dzongkhags would ensure safety to property and people commuting between the two commercial centres, strengthen national security and facilitate the establishment of industries in the southern belt of the country. Therefore, the people requested the Royal Government that the construction of the motor road should be continued till its completion.

Supporting the submission, several members said that the lack of internal road-link connecting Samtse and Phuentsholing within Bhutan was causing difficulties to the people and property of not only Samtse but also the people of other Dzongkhags. Therefore, it was important that the Royal Government should continue the

construction of Samtse-Phuentsholing motor road beyond 10 kilometres as initially planned.

The Samtse Dzongdag along with some of the members submitted that the people faced grave security risk as Samtse Dzongkhag was located close to the militants of West Bengal and the Maoist rebels of Nepal who have joined hands with the people in the camps in Nepal. Therefore, the Royal Government should initiate early construction of this internal road-link.

Some of the people's representatives submitted that the construction of Samtse-Phuentsholing motor road would ensure safety to travellers and property, strengthen national security and facilitate the socio-economic development with the establishment of industries in the southern belt of the country. This would enhance the livelihood of the people through trade and commerce and solve the problem of unemployment of the youths.

Some of the members submitted that contract for road construction should be totally awarded to the Bhutanese contractors. In case 100 percent of the contract could not be awarded, at least 50 percent of the contract must be awarded to the Bhutanese contractors.

The Minister for Works and Human Settlement acknowledged the submission made by the Chimis on the internal road-link between Samtse and Phuentsholing. The Minister informed the House that the motor road construction deliberated repeatedly in the earlier sessions of the Assembly was not included in the 9<sup>th</sup> plan programme and the financial assistance was also not finalised. Considering the security problem, the resolutions of the 81<sup>st</sup> Session

of the National Assembly and the importance of the road, the Royal Government had decided to construct 10 kilometres of the road during the fiscal year 2004-2005, for which a budgetary provision of Nu. 30 million had been earmarked. Moreover, during the feasibility study of the soil condition and the distance from Phuentsholing to Samtse, the motor road would measure 79 kilometres and entail construction of a major bridge, which would altogether cost around Nu. 1165 million. In case this motor road could not be completed, a sum of Nu. 30 million would be wasted. Therefore, the Ministry of Works and Human Settlement in close cooperation with the Ministry of Finance would take all possible measures to commence the construction of the motor road till its completion.

The Royal Government had decided to construct the motor road from Phuentsholing by considering the benefit that this road would have particularly in trade and commerce and to the people living in the 20 villages and 6 geogs. Due to lack of financial propensity, the Royal Government could not begin early construction of the motor road. Moreover, as India was the only country to provide financial assistance for such construction, it would be difficult to fulfil the aspirations of the people immediately.

Furthermore, the Royal Government was initiating to award the contract for road and bridge construction to the Bhutanese people. Having to take loans from other countries to construct the national highways and bridges, the contract was being awarded to the external contractors as required by an agreement based on international bidding system.

The representative of the Bhutan Chamber of Commerce and Industry along with other members submitted that if there was consensus on the provision of awarding contract to the outside contractors in the agreement when the Royal Government sought loans from IMF and ADB for the construction of national highway and bridges, it would not be in the interest of the Bhutanese contractors. Even if the Royal Government were to hire executive engineers and other expertise from outside for site supervision to ensure quality of work, the award of contract to Bhutanese contractors would be immensely beneficial.

The Finance Minister informed the House that motor road was a necessity for the socio-economic development of the country. The Samtse-Phuentsholing highway was not included in the 9<sup>th</sup> plan and the fund was not committed for its construction as well. Considering its importance unlike other motor road constructions, and as reported by the Minister for Works and Human Settlement, a budget of Nu. 30 million had been allocated and 10 kilometres of the motor road would be constructed during the 2004-2005 fiscal year.

As the construction of internal road-link and bridges within Bhutan was important for the people, the Royal Government should initiate the early construction of the motor roads. However, the expenditure would be high and as the Royal Government lacked financial competence, it would be difficult to mobilise funds. Therefore, loan must be availed from international financial institutions to fulfil the aspirations of the people and be guided by similar contractual bidding as per the international norms. As it was difficult to avail loans, the construction of roads and bridges would be delayed. Therefore, the Royal Government had reviewed the plan activities



and accorded highest priority to the construction of Samtse-Phuentsholing Highway.

The National Assembly noted that the construction of Samtse-Phuentsholing highway was not included in the 9<sup>th</sup> plan. It was resolved that the Royal Government should initiate construction of 10 kilometres of motor road beginning from Phuentsholing during the 2004-2005 fiscal year as per the resolutions of the 81<sup>st</sup> session. The Finance Ministry should review the plan programmes and provide fund to construct the motor road till its completion. The construction and maintenance of roads should be awarded to the experienced and capable Bhutanese contractors. It was also resolved that the contract for the construction of roads and bridges through loans should be implemented as per the international norms. The deliberation on Samtse-Phuentsholing highway concluded on July 1, 2004.

4. Deothang-Nganglam and Samdrup Choling to Jomotshangkha motor road

The people of Samdrup Jongkhar Dzongkhag submitted that as per the Road Master Plan, the Deothang-Nganglam and Samdrup Choling to Jomotshangkha motor road would be constructed within the next 20 years. Considering the security risks faced by the Bhutanese people commuting through the Indian territory, the construction of Deothang-Nganglam and Samdrup Choling to Jomotshangkha motor road would benefit the Bhutanese people in general and the people of Samdrup Jongkhar in particular.

The Samdrup Jongkhar Dzongdag and some of the members said that owing to the present security problem, two out of three Dungkhags under Samdrup Jongkhar faced difficulties in dealing with the Dzongkhag. The frequent public strikes along the way in the neighbouring Indian states had adversely affected the lives of the people, government employees and the businessmen. Moreover, development activities could not be implemented on time as per the aspirations of the people. Therefore, the Ministry of Works and Human Settlement should mobilise funds and construct these important motor road links.

Under the command of His Majesty the King, talks were held with the Government of India after the military operation in December 2003 for providing security escort by the Indian military for the Bhutanese vehicles plying through the Indian territory. However, it would be difficult to maintain this arrangement forever. Because of the numerous warnings circulated by the mischievous people in the Indian newspapers, the people were filled with fear and concern. Therefore, it was necessary to construct an internal motor road.

The Samdrup Jongkhar Dzongdag and some of the members submitted that if an internal motor road within the country could be constructed, it would be of immense benefit to the security and socio-economic development in the country. Moreover, instances of robbery in the country would be prevented. Since the construction of the motor road was not included in the 9<sup>th</sup> plan, the Royal Government should include the construction in the 10<sup>th</sup> plan. It would be of immense benefit to the security of the country if the road were constructed at a distance of 10 to 15 kilometres from the Indo-Bhutan border.

The Minister for Works and Human Settlement on behalf of the Royal Government expressed his appreciation to the Government of India for providing strong security arrangements for the benefit of the Bhutanese people commuting through the Indian territory. The Deothang-Nganglam and Samdrup Jongkhar to Jomotshangkhar motor road would not be constructed during the 9<sup>th</sup> plan as the roads were not included in the plan and also due to budgetary constraints. The construction of 105 kilometres of motor road and 4 bridges from Deothang to Nganglam would require an estimate of Nu. 1,142 million. For the construction of 110 kilometres of the motor road and 15 bridges from Samdrup Choling to Jomotshangkhu, an estimated amount of Nu. 1,405 million would be required. Although the Royal Government would not be able to construct the two motor roads in the 9<sup>th</sup> plan, the construction of these motor roads would be included during the 10<sup>th</sup> plan.

The National Assembly noted that as informed by the Minister for Works and Human Settlement, the construction of Deothang-Nganglam and Samdrup Choling to Jomotshangkha motor road was not included in the 9<sup>th</sup> plan. Moreover, the construction would require an estimated amount of Nu. 2,550 million and the government did not have enough funds. Therefore, the National Assembly resolved that the motor road would be included in the 10<sup>th</sup> plan. It was also decided that the Ministry of Works and Human Settlement should conduct a feasibility study and draft a preliminary report relating to road construction. The deliberation on Deothang-Nganglam and Samdrup Choling to Jomotshangkha motor road concluded on 1 July 2004.

## 5. Widening and improvement of East-West National Highway

The people of Trashigang Dzongkhag submitted that motor road was necessary for the socio-economic development of the country. Since it was the only highway connecting east and west, economic activities were hampered due to landslides and frequent roadblocks during the monsoon season. If the East-West National Highway was expanded to a two-lane road, the people of the 12 Dzongkhags including 6 eastern Dzongkhags would be immensely benefited and the Bhutanese people would not have to travel through difficult and risky Indian states of Assam and West Bengal.

A Royal Advisory Councillor and some of the members said that the people commuting on the Thrimzungla-Namling motor road were confronted with difficulties. Therefore, like the shortening of Chumey-Ura motor road, it would be better if other sections of the East-West National Highway would also be shortened. Even if the expansion and maintenance of the East-West National Highway was not carried out in the 9<sup>th</sup> plan period, feasibility study of the road should be carried out in the current plan and the actual work carried out in the 10<sup>th</sup> plan.

Some of the members submitted that as the Royal Government was aware that the East-West National Highway was important in the country, the expansion and improvement of this highway should be continued. It would be convenient if the contract for the construction of the national highways were awarded to the Bhutanese contractors. To control unnecessary wastage of budget, maintenance and proper refurbishment of the motor roads should be carried out before the blacktopping.

Some of the members said that the blacktopping of the motor road from Wangdue Phodrang to Trashigang wore off within a couple of weeks. It was either due to the new technological method of blacktopping the road or the contractors were not carrying out the work properly. The Ministry of Works and Human Settlement should monitor to prevent sub-standard contractual works as per the norms of the Construction Development Board. While the contractors should definitely aim for profits, they should also place 70 percent of the work on the infrastructure. Moreover, the system of awarding the contract to the lowest bidder hampered the quality of work and this provision required amendment.

The Minister for Works and Human Settlement informed the House that it was the command of His Majesty the King to improve and shorten the East-West National Highway and also make it accessible at all times. Recognising its importance, the Royal Government had included the improvement and shortening of the motor roads in the plan. The blacktopping and drainage construction of the 308 kilometres of the highway from Wangdue Phodrang to Trashigang was being carried out with a loan of Nu. 664 million from the Asian Development Bank.

About 100 kilometres of the East-West National Highway was included for expansion in the 9<sup>th</sup> plan. A budget of Nu. 81.5 million had been earmarked for the Chumey-Ura bypass motor road which would be shortened by 27 kilometres. The feasibility study of the road from Ura Shingkar to Lhuentse Gorgan conducted by the Department of Roads would reduce the distance by 40 kilometres.

The members were aware of the policy to conserve the natural environment and the blacktopping of roads was mechanised to achieve the policy of environment conservation as per the changing times and the state of environment. As far as the award of tender to the lowest bidder was concerned, the financial manual clearly indicated that the works should be awarded to the lowest evaluated bid and the procurement manual was being currently reviewed.

The National Assembly noted that due to the farsighted leadership of His Majesty the King, the Royal Government had included the widening and shortening of the roads in the plan activities and the construction had already commenced. However, the construction should be constantly monitored and completed on time. The National Assembly commended the Royal Government for initiating the blacktopping of roads through the use of modern machinery according to the environment conservation policy. The National Assembly resolved that contract would be awarded to the experienced and capable contractors to reduce the wastage of budget. It was also resolved that bribery should be prevented to check fraudulence and corruption in the country. The deliberation on east-west national highway concluded on 2 July, 2004.

#### 6. Extension of motor roads

The people of Zhemgang Dzongkhag submitted that the Royal Government has constructed a motor road from Dagphel to Buli, which had immensely benefited the people of Nangkhor, Shingkhar and Bardo geogs. The extension of the road from Buli till Shingkhar towards Silambi, Mongar and Lingmethang would not only benefit

the people of the three geogs but would have tremendous impact on the lives of people of the eastern Dzongkhag.

The Zhemgang Dzongdag said that although Zhemgang Dzongkhag faced the problem of lack of motor roads, as per the wish and policy of His Majesty the King, motor roads had been constructed from Khengmed Gongphu till Panbang and Dagphel till Buli to provide equitable development in the country. This road had reduced the walking distance of three to four days by one to two hours benefiting the people of Khengrig Namsum. A feasibility study was being conducted for the construction of Buli-Shingkhari motor road to be included in the 10<sup>th</sup> Plan.

The Speaker reminded the Assembly that it was important to consider the security conditions of the areas, the financial propensity and the inclusion of road programmes in the plan while deliberating on a particular road. Moreover, it was imperative to consider whether the programmes included in the plan would be followed up.

The Minister for Works and Human Settlement informed the Assembly that a budget of Nu. 571 million was earmarked for the construction of 30 kilometres of Tingtibi-Gongphu motor road and 40 kilometres of Gongphu-Panbang road including the construction of 5 bridges. Although the construction of roads could not be started in the first year of the plan due to security reasons and financial inadequacy, 5 kilometres of the motor road had been constructed this year and a budget of Nu. 20 million had been allocated. A loan of Nu. 48 million was borrowed from the World Bank for the construction of 9 kilometres of feeder road from Traleng to Gongphu village which had already commenced. While a budget of

Nu. 106 million was allocated for the construction of Dagphel-Buli motor road, 12 kilometres was constructed in the eight plan and 27 kilometres was being constructed in the Ninth plan. It was hoped that the construction of these roads would be completed in the Ninth plan.

The construction of Buli-Shingkar motor road towards Lingmethang under Mongar Dzongkhag was not only excluded from the Ninth plan but also left out in the Road Master plan. However, when the Department of Roads conducted the feasibility study, a budget of Nu. 1,216 million was required for the construction of 2 major bridges and 14 small bridges along the construction of 98 kilometres of road. It was important to study the impact that the road construction would have on the stability of the land, the density of population along the road and the number of villages and geogs that would benefit. The Shingkar road was planned to be constructed through Traleng and Nimzhong. The distance of road from Traleng to Shingkar through Nimzhong over the Mangdechu would be more than 60 kilometres requiring construction of 3 major bridges and 8 smaller bridges. The cost of the road construction would be Nu. 798 million. A second feasibility study conducted by the Department of Roads revealed that if the road was constructed seven kilometres away from Traleng, the distance would be 62 kilometres requiring the construction of 2 major bridges and 13 smaller bridges which would cost Nu. 837million. As the policy of the Royal Government was to shorten the distance of the highways, the proposal for the construction of 60 kilometres of the road would be finalised. If the road was constructed from Thridangbi, the distance would be 100 kilometres. Moreover, the welfare of the people should also be considered. Eventhough the



length of the road from Shingkar to Ura would be around 49 kilometres, it was yet to be finalised. Although this road would not be constructed as desired by the people, the Department of Roads was conducting an internal feasibility study. It would be acceptable to the Ministry of Works and Human Settlement if the National Assembly decided to include this road in the 10<sup>th</sup> Plan after the feasibility study was completed.

The National Assembly resolved that widening, shortening, improving and maintaining of the motor roads in the country should be carried out with befitting results without wasting the government resources and monitoring the implementation of the planned activities on time. It was also resolved that the Ministry of Works and Human Settlement in close cooperation with the Lhengye Zhungtshog should include the extension of the Buli-Shingkar motor road under Zhemgang Dzongkhag till Mongar in the 10<sup>th</sup> plan programme. The deliberation on the expansion of motor roads concluded on 2 July, 2004.

#### 7. Construction of motor road to Dungna

The people of Dungna submitted that although a motor road had reached till Kungkha from Ganglakha on the Thimphu-Phuentsholing Highway, the villages of Dungna were left unconnected. The construction of this motor road would not only benefit the Geog of Dungna and the people of Metekha, Gelling, Lokchina and Phuentsholing geogs but would also benefit the people of Naja Geog under Paro Dzongkhag. As the road survey had been carried out, the people requested the government to accord priority for the construction of this motor road.

During the deliberation on the issue, some of the members said that although Dungna Geog was rich in cereals and fruits, the people could not generate income as it took about four days to travel to Phuentsholing. The government employees working in the schools, BHUs and other social service sectors were facing undue hardships particularly during the monsoon season.

Some of the representatives reiterated that the construction of this road had been discussed in the previous sessions of the National Assembly. However, the Royal Government could not decide on the construction due to budgetary constraints. As the road was important for rural development, emphasis should be laid on the construction of motor road by suspending other developmental programmes.

One of the Royal Advisory Councillors along with some of the people's representatives submitted that the Government was aware of the construction of motor road from Ganglakha to Kungkha while leaving Dungna Geog unconnected. The construction of the motor road would not only benefit the people of Dungna Geog but also the people of Naja Geog who were dependent on animal husbandry for their livelihood.

Some of the members said that the Royal Government should consider constructing motor roads in the remote villages depending on its size and the extent of agricultural activities.

In response, the Minister for Works and Human Settlement informed the House that about 19.5 kilometres of forest road from

Ganglakha to Kungkha had been constructed. The construction of about 26 kilometres of road till Dungna has been included in the 20 years Road Master Plan. While conducting the feasibility study, about four bridges required to be constructed and about 7 kilometres of road required to be constructed from Dungna to Metak. In case this road construction was finalised, a sum of Nu. 228 million would be required.

The Dungna motor road has not been incorporated in the Ninth plan as well as in the Road Master Plan. If the motor road was constructed from Phuentsholing as per the Road Master Plan, it would also connect with Samtse highway benefiting about 18 villages in the area and shortening the distance of the road. However, since the construction of the motor road was not included in the Ninth plan, the Ministry of Works and Human Settlement could neither initiate the construction nor were certain on its inclusion in the Tenth Plan as well.

The National Assembly noted that the construction of the motor road from Phuentsholing would not only benefit the people of Dungna Geog but also Naja Geog under Paro Dzongkhag. As submitted by the Minister for Works and Human Settlement, the construction of the motor road could not be initiated during the Ninth plan. The National Assembly resolved that the Ministry of Works and Human Settlement should carry out a detailed study exploring the possibilities of including the motor road construction in the Tenth plan and submit a report in the next Session of the National Assembly. The deliberation on the Dungna motor road concluded on July 2, 2004.

## 8. Agriculture Farm Road

The people of Mongar Dzongkhag submitted that while farm roads would not only enhance the socio-economic development of the rural community, it could also increase agricultural productivity and check rural-urban migration. Therefore, farm roads should be accorded high priority to enhance the socio-economic development in the country and connect remote villages.

During the deliberation on this issue, some of the members submitted that under the wise guidance and dynamic leadership of His Majesty the King, a huge sum of money had been provisioned in the Ninth plan for the construction of farm roads to improve the living standards of the people. The people expressed their appreciation to the Royal Government and the Ministry of Agriculture for the development of farm roads in the geogs under Mongar Dzongkhag.

At the outset, the Minister for Agriculture expressed his appreciation to the true sons of Bhutan who returned home victorious after successfully removing the militants under the farsighted leadership of His Majesty the King in December, 2003. The Minister, on behalf of the employees of the Ministry of Agriculture, pledged their unwavering loyalty to serve the nation with utmost dedication.

The Minister informed the house that in order to achieve His Majesty's policy of food self-sufficiency, the Ministry of Agriculture had set three main objectives and policies, which were to increase agricultural productivity, provide farm road facilities and improve marketing outlets.

However, the main challenge in achieving the policy of increased agricultural productivity was that presently only about 7.8 percent of the total land cover was agricultural land and thousands of acres of farm land were being included under urban centre every year. Therefore, if the people did not work together and improve the productivity by engaging in agricultural activities, there was a risk that there would be no one in the villages to take up agriculture work.

Recognizing the indispensability of farm roads to increase agricultural productivity, construction of about 197 kilometres of farm roads had been completed out of 588 kilometres to be constructed in the Ninth plan. The Minister informed that fund for the construction of 250 kilometres of farm roads in 2005 was secured. It was hoped that 588 kilometres of farm roads would be completed in the Ninth plan without any delay.

In order to meet the development goals of the farm roads, agreements have been signed between the Ministry and the Dzongkhags, and similarly between the Dzongkhags and the DYT's. It was hoped that all the Dzongdags would provide their support in achieving the agricultural objectives during the Ninth plan. The farm road construction would be fully taken up by the contractors unlike in the past where the beneficiaries had provided voluntary labour contribution.

The Minister informed that about 229 kilometres of power-tiller roads would be constructed in the Ninth plan starting from the geogs of Nabji, Korphu and Nimshong under Trongsa Dzongkhag

connecting the remote geogs under Zhemgang Dzongkhag. The power tillers were being imported from Japan which would be shared by the people as the machines would be utilised for a long time.

Considering the importance of farm roads, the Agriculture Ministry had established a marketing division in order to facilitate marketing in the villages, Dzongkhags, the capital city and in other countries. If the production in the country was not increased by establishing such a sector, it would cause inconvenience in the future when Bhutan participated in the World Trade Organization as a member.

Some of the members expressed their appreciation to the Minister for Agriculture for formulating the policy geared towards increasing the agricultural productivity in the villages for the benefit of the people. The members also suggested that supplementing the policy of increasing agricultural productivity, legislation should also be in place to protect the people from being carried away by the profit and the natural renewable resources from extinction. It was important to encourage the youths to take keen interest in agricultural activities and retain them in the villages by distributing agricultural machineries and equipment in order to realise the goal of food self-sufficiency and self-reliance.

Similarly, in some of the villages, land were registered under wetland that could not be cultivated to generate income. The Agriculture Ministry should, therefore, conduct a detailed study to review the land categorisation. It was also submitted that farmers from the villages should be sent on study tours to other agriculture

development centres outside the country to help achieve the objectives of the Agriculture Ministry.

The Bumthang and the Punakha Dzongdags said that the construction of farm roads without bridges might cause problem to the farmers. The power tillers in the Dzongkhags and geogs were distributed on an ad hoc basis without considering the size of the available land and as such only a few people availed the power tillers. Therefore, the Ministry of Agriculture should study and revise the existing system of distributing power tillers in the Dzongkhags.

The Agriculture Minister informed the House that land registered under the wetland which could not be cultivated had already been converted into dry land in some of the remote Dzongkhags. The Ministry was also conducting a study to look into the possibilities and the benefits of changing land registration. Moreover, funds were being mobilized to send the farmes on study tours to other agriculture development centres outside the country. Similarly, a detailed study would also be conducted for the distribution of power tillers.

The National Assembly commended the Ministry of Agriculture for formulating policies to increase agricultural productivity and for sparing no efforts towards attaining His Majesty's vision of self-reliance. The National Assembly resolved that it was inappropriate for the inclusion of bridge construction in the farm roads as the construction of bridges required huge sums of money. If the government had enough budget, the bridges would be constructed along with the farm roads. The Ministry should conduct a detailed

study in all the Dzongkhags and geogs for the uniform distribution system of power tillers to the people. It was imperative for every one to work persistently as per the plans and polices of the Agriculture Ministry to fulfil His Majesty's vision of self-reliance. The deliberation on the issue of development of farm roads concluded on July 2, 2004.

#### 9. Telecommunication facilities

The people of Mongar Dzongkhag submitted that as telecommunication facility was one of the basic services that helped connect the rural people with others, telecommunication facilities should be set up in all the geogs as envisaged in the 9<sup>th</sup> five year plan.

When the National Assembly deliberated on the issue, some of the members expressed their appreciation to the Prime Minister for informing the House during the annual report presentation on the plans to set up telecommunication facility in all the places in the country. The members submitted that telecommunication would help strengthen the national security and would achieve effective results in the implementation of socio-economic development plans and programmes as per the decentralisation policy since the people would be able to interact with the villages, Dzongkhags and the private sectors. Moreover, as it was one of the important services to minimise rural-urban migration, the telecommunication facilities should be set up immediately.

Some of the members expressed their appreciation for the introduction of Mobile Cellular Services in a few towns, which



indicated the development of Bhutan Telecom. As mobile phones were convenient to use, the establishment of mobile phones in the remote and security affected areas would be viable though it would be costly to the government. Moreover, it would be of immense benefit if telecommunication facilities could be set up to replace wireless transmitters. It would take a long time to reach the service in the remote geogs if the telecommunication facilities were set up in phases. The Chimis also submitted that telephone cables could be provided free of cost.

The Minister for Information and Communications informed the House that as submitted by the people's representatives, information communications technology was important for the immediate access of information in and out of the country. Information technology was basically to create a knowledge based society and had immensely benefited the education, health, transport services, ministries, departments and other agencies. As the benefit of information communications technology were realistic on the basis of development and people's lives, it had been planned to provide a minimum of 10 telephone lines in each Geog as per the command of His Majesty the King. However, it could not be implemented immediately as the Royal Government was facing financial constraints. However, a Nu. 900 million loans had been availed and the rural telecommunication project would be carried out from September 2004.

It had been envisaged to complete the telecommunications project in the Ninth plan. For the durability and widespread implementation of information communications technology, the establishment of fibre optic/optical fibre telecommunication services was being set up. The

implementation of this service would not only enable the users to converse, but also see in online video. A master plan for the policy and mechanism to develop information technology was being formulated with the objective to usher Bhutan into the digital world.

The mobile cellular services were introduced in Thimphu, Paro and Chukha Dzongkhags considering the large population and the cost was slightly higher than the regular telecommunication services. It had been planned that the mobile services would reach Punakha, Wangdue Phodrang, Gelephu and Samdrup Jongkhar by this year and a budget of Nu. 38 million had been allocated for this purpose.

Similarly, budget of Nu. 79 million had been earmarked for the installation of these services in Trashigang, Mongar and Trongsa Dzongkhags by next year. As the fund was sought through loan, the Bhutan Telecom Authority would need to repay the loan. Gradually, the services would be introduced in all the Dzongkhags and the profit generated through the cellular phone services would be utilised to provide mobile facilities in the villages gradually.

After the establishment of Bhutan Telecommunications Authority, the telephone tariff had been reduced three times and there was a policy to reduce it further. Although it was not within the policy of the government to purchase telephone accessories for the people, it would benefit the government if the people could afford to procure on their own. As it was important to utilise and take care of the existing facilities, the people concerned should make proper use of these facilities.

The National Assembly noted that the Ministry of Information and Communications had planned to develop information technology considering the benefit to the people in general and the economic development of the country in particular. The National Assembly commended the Ministry of Information and Communications for acquiring an external loan of Nu. 900 million to setup telecommunication facilities in all the 20 Dzongkhags during the 9<sup>th</sup> plan. The Ministry was also acknowledged for the plans to provide telecommunication transmission poles and cables. The National Assembly resolved that the planned activities of providing telecommunication facilities should be completed during the 9<sup>th</sup> plan. The deliberation on the telecommunication facilities concluded on 3 July, 2004.

#### 10. Supply of electricity

The people of Trongsa, Punakha and Mongar Dzongkhags submitted that shortage and supply of electricity in Trongsa Dzongkhag had impeded the socio-economic development and domestic activities. Therefore, the Royal Government should initiate supplying electricity from Kurichu Hydro Power Project through Zhemgang Tingtibi expeditiously. Further, as the plan to supply electricity to Gasa Dzongkhag had been finalised, the Bhutan Power Corporation should study the possibility of supplying electricity to uncovered areas of Goenshari Geog under Punakha Dzongkhag also.

The National Assembly while deliberating on this issue expressed the gratitude to His Majesty the King for establishing the Kurichu Hydropower Corporation and enhancing the living standard of the people. Electricity was one of the basic necessities for enhancing the

livelihood of the people. Therefore, the supply of electricity in the remote geogs should be expedited.

Supporting the deliberation, some of the members submitted that electricity was an indispensable factor for the socio-economic development of the country. The problem of electricity shortage in Bumthang Dzongkhag was that electricity was available only for about 15 days in a month. Electricity would not only benefit health and hygiene and the environment but would also have immense benefit in strengthening the security of the country. Electricity should be supplied to ensure balanced economic development in the rural areas. Even if there were no possibility of supplying electricity in the Ninth Five Year Plan, electricity should be supplied in the Tenth Five Year Plan. If the installation of transmission poles and lines were expensive to the government due to long distances to the rural areas, the government should supply solar power or install mini hydropower stations.

Some of the members submitted that the power tariff should be reduced. In Trashiyangtse, about 30 people had migrated to town areas due to lack of electricity. Although the people did not use electricity, they expressed their doubts on the power tariffs. The electrical works were being awarded to the contractors to avoid the people from being directly involved. The exploration of potential market for export of power to the neighbouring countries other than India would also be of immense benefit in the future. The members also questioned on the levy of power tariff by the Power Corporation to those private industries availing additional power.

The Minister for Trade and Industry informed the Assembly that His Majesty the King had resolved the grave security problem faced by our country. It was fortunate that the members were able to gather in this august hall to discuss important issues of the country and expressed his appreciation and gratitude to His Majesty the King. The 80<sup>th</sup> Session of the National Assembly resolved that electricity would be supplied from the Kurichu Hydropower Project through Tingtibi to mitigate the problems of electricity shortage in Trongsa and Bumthang. The government had decided to supply electricity to 573 households under Trongsa Dzongkhag and 516 households under Bumthang Dzongkhag in the Ninth Five Year Plan. It was also decided to supply electricity to 22 households in Punakha Goenshari Kapatapa along with the supply of electricity to Gasa Dzongkhag. Since the supply of electricity to 98 households in Goenshari was not included in the Ninth Plan, it would not be possible to supply electricity in the immediate future.

It was reported that about 988 households in Drepung, Saling, Tsakaling, Ngatshang and Chaskar geogs under Mongar Dzongkhag were electrified in the Eighth Five Year Plan. It was planned to supply electricity to 1,093 households through external assistance during the Ninth Plan, out of which about 88 households were in Chaskar, 83 households in Shermung and 171 in Balam. It would not be possible to supply electricity to geogs away from the motor roads like Gongdu, Thangrong, Kengkhar and Jurme due to long distance and substantial budget needed for this purpose.

Recognizing the importance of electricity for the socio-economic development of the country, the Royal Government had planned to provide electricity to about 15,000 households in the Ninth Five

Year Plan. The Minister reported that fund had been mobilised to supply electricity to 12,000 households and fund for the supply of electricity to the remaining 3,000 households was still being explored. Since the country was mountainous, cost of electrifying a single household amounts to about Nu. 100,000. Due to the budgetary and other constraints, many of the power activities could not be incorporated in the plan. Those activities, which could not be implemented in the Ninth Five Year Plan, would be considered and implemented as per the master plan of electricity for all in the country by 2020. It was hoped that the Royal Government and the Ministry of Trade and Industry would be able to fulfil the aspirations of the people as per this policy.

It was reported that the installation of mini hydropower would not only be very expensive, but also sufficient power would not be generated. The solar power would serve the lighting purposes without any other utility. The Bhutan Power Corporation would study on the reduction of power tariff soon. Since it was the wish of the donor agencies providing assistance to involve the people, it would be a problem if contractors were awarded the electricity transmission works while seeking external assistance. However, the Royal Government would study the benefits and detriments of awarding the electrification works to the contractors.

Regarding the exploration of markets to export power to countries other than India, it was reported that India had the maximum power consumption capacity and it would never be saturated. Therefore, substantial expenditure had been incurred in the hydropower sector. In fact, if electricity could be generated and exported, India would require more than 100,000 MW of power. Therefore, it was not

possible for India to stop buying electricity from Bhutan at any given time.

A feasibility study conducted by the Bhutan Power Corporation showed that there was some element of veracity in the submission regarding the extra power consumption by some private industries. Therefore, the Bhutan Power Corporation had devised a mechanism to charge for the extra power consumption, increasing the tariff by 13 percent.

The Minister briefed the Assembly on the benefits of Kurichu and Basochu Hydropower Projects and the progress of the Tala Hydropower Project. The Ministry of Trade and Industries also expressed its appreciation to the Government of India for the budgetary assistance and equipments for the power works as well as for providing substantial budget for the distribution of power.

The National Assembly resolved that the Royal Government and the Ministry of Trade & Industries would pursue the policy of electrifying the entire nation by the year 2020, fulfilling the aspirations of the people. It was hoped that both the planned activities and those outside the plan would be implemented successfully. The National Assembly expressed its profound appreciation to the Government of India for providing substantial assistance especially to the power sector. The deliberation on the supply of electricity concluded on July 5, 2004.

## 11. Construction of security wall along Indo-Bhutan border

The people's representatives of Samdrupjongkhar Dzongkhag submitted that there has been continued security problem along the border despite the militants being successfully removed. Therefore, in order to protect the lives of the people, the Royal Government should consider extending the existing 3 kilometres of security wall below Samdrup Jongkhar town, 3 kilometres security wall below Nganglam town and 2 kilometres from Jomotsangchu to Daisam below Jomotsangkha town. This would provide security to the people living in these border areas.

The Minister for Home and Cultural Affairs said that from the day the militants, posing threat to the security of the country were removed, the risk of affecting the sovereignty of the country had been resolved. However, there was a risk of increasing the threat to the people, civil servants and more so to the royal families and as such all the people should always remain alert and cautious.

The government was aware that the people living in the vicinity of the border and security affected areas in Samdrup Jongkhar were deeply concerned. However, the government perceived that the extension of security walls along the border would create other problems. For example, the walls at Phuentsholing and Samdrup Jongkhar were constructed purely for security purposes. However, the people living across the border had reported to their government that Bhutan had restricted their entry into our country. The Indian Government in their report to the Royal Government had said that they did not see any concrete reasons for requiring security walls along the border areas. The security wall at Phunetsholing was



constructed after having thoroughly discussed with the Government of India.

Similarly, the security wall construction plans at Nganglam and Jomotsangkha would estrange the cordial relations between our two countries. The Royal Government should conduct a detailed study and carefully examine the advantages of the security walls to the people living in these areas. While it was extremely important to maintain the cordial relation between our two countries, it was crucial to study the implications that the construction of security walls would have on the Indo-Bhutan relations. Therefore, a budget estimate and plan should be prepared, in case the security walls were required and a feasibility study report submitted at an appropriate time.

The National Assembly resolved that if the construction of security walls in the border areas did not pose any problem to the Indo-Bhutan relationship, works would be carried out once the feasibility study was completed. However, if the people were not benefited and the relation between the two countries was being estranged, the Ministry of Home and Cultural Affairs should carryout a thorough study and submit a report for deliberation during the next Session of the Assembly. The deliberation on the construction of security wall along the Indo-Bhutan border concluded on July 5, 2004.

#### 12. Embankment work at Toorsa river

The Bhutan Chamber of Commerce and Industry (BCCI) submitted that construction of permanent river embankment along the Toorsa

river would be beneficial for the expansion of Phuentsholing township.

During the deliberation on the issue, the member of the Bhutan Chamber of Commerce and Industry said that although Phuentsholing was a commercial centre for both internal and external markets, the town being small faced acute shortage of parking space. The construction of a permanent river embankment along the Toorsa river would have positive benefits in the expansion of the Phuentsholing township.

Responding to the deliberation, the Minister for Works and Human Settlement informed the House that the Royal Government had conducted several feasibility studies for the construction of a permanent river embankment along the Toorsa river. Moreover, the Dzongkhag, Dungkhag and the Department of Forestry had jointly worked in finding effective measures to solve the problems posed by the river. After the flash flood in 2002, the Royal Government had allocated a budget of Nu. 17 million for the construction of embankments along the Toorsa river and Nu. 73 million for the embankment works along the Doti river. The work was awarded to the contractors at Nu. 20 million.

Considering its strategic location, Phuentsholing was important for commuting and trade activities. As all the financial headquarters, factories and depots were located there, it was imperative to expand the town. The Phuentsholing City Corporation had submitted a city plan for the next 15 years to the Lhyengye Zhungtshog through the Council of Ministers. If the existing Phuentsholing township measuring 460 acres needed expansion, space was available to the

North along the Toorsa river till Pungbay, Damdangra, Kabreytar and Rinchending.

As one of the industrial areas was at Pasakha, many development activities were needed to be carried out between Phuentsholing and Pasakha. Therefore, these have been already included in the development plans. Since the Government of Denmark had been providing assistance for the development of Phuentsholing town, fund for the construction of embankment along the Toorsa river was also being availed from them. While agreeing to carryout a feasibility study, no separate fund was provided for the project and substantive result could not be made.

The expansion of the Phuentsholing town would be widened by around 3,850 acres. Likewise, the river embankment along the Toorsa river would expand the area by 1,500 acres, out of which 450 acres could be used for industrial development in the future. The Royal Government would also consider the submission made by the people and work accordingly. Therefore, the Finance Ministry should mobilise the required fund to commence the river embankment works.

The National Assembly noted that the Minister for Works and Human Settlement on behalf of the Royal Government had clearly informed the House regarding the construction of river embankment along the Toorsa river. The construction of river embankments along the Toorsa river would also expand the Phuentsholing town by 1,500 acres, which would benefit in the establishment of industries in the future. The National Assembly resolved that as per the decision of the Lhengye Zhungtshog, the construction of river

embankment along the Toorsa river should be initiated before the completion of the Ninth Plan. The deliberation on the embankment work at Toorsa river concluded on July 5, 2004.

13. Illegal structures within the right-of-way of roads

The Ministry of Works and Human Settlement had made a three-point submission to the National Assembly on the construction of illegal structures within the right-of-way of roads along the National Highway, Dzongkhag roads and feeder roads.

The Minister for Works and Human Settlement informed the House that the main reason for the submission of agenda on illegal structures within the right-of-way of roads to the National Assembly was to facilitate in the endorsement of the Road Act of the Kingdom of Bhutan. Since there was no separate Road Act, the road rules and regulations stated that the construction of houses on both sides of the road was illegal, which would be a problem when implemented. Road encompassed the National Highway, Dzongkhag roads and feeder roads. During its 136<sup>th</sup> meeting held in 1993, the Lhengye Zhungtshog had framed a rules and regulations which clearly stated that the construction of buildings/houses was illegal within 50 feet on the right-of-way of roads. In case it was necessary, buildings/houses would be built outside 50 feet of the right-of-way of roads. All the construction of buildings/houses within the right-of-way of roads were made illegal after March 1, 1988, and the Royal Government granted authority to the Dzongkhag Administration to constitute a committee to identify and approve those buildings/houses constructed prior to March 1, 1988.

Similarly, construction within 50 feet of the road was prohibited. If illegal construction of buildings/houses were taking place against the provisions of the rules and regulations, the Ministry of Home and Cultural Affairs and the Dzongkhag Administration were authorized to stop or remove the structures. Moreover, the Dzongkhags, Dungkhags and the geogs were required to form committees to implement the provisions of the rules and regulations. Although the Royal Government had later handed over the authority and responsibility relating to roads to the Ministry of Communication in 2000, the rules and regulations stated that the Dzongkhags, geogs, the Department of Roads and the Forestry Department would be involved in its implementation.

Following this, the Lhengye Zhungtshog had decided in 2001 that the rules and regulations framed by the Ministry of Communications would remain in force until the Road Act was enacted. The Assembly was aware that Chapter 10 section 20 of the DYT Chathrim; and Chapter 9, Section 9 of the GYT Chathrim enacted by the National Assembly in 2002 as per the decentralization policy empowered the DYT to identify all illegal construction of buildings/houses while the Dzongkhag Administration was responsible for its implementation. The GYT Chathrim also clearly stated the responsibilities of its prohibition and implementation.

Even though motor road was a necessity for public service and socio- economic development, wide roads could not be constructed in the past due to financial constraints. Therefore, it was important to widen and shorten the distance of the roads to reduce the expenditure of both the government and the people. Moreover, as per the policy of the Royal Government, there was a need to expand,

maintain and repair the roads to provide travel safety services. Therefore, a distance of 50 feet on the right-of-way of roads should be maintained. Furthermore, since the land was not stable, space was required on both sides of the roads to avoid landslides, flood and road accidents.

As per the list, about 1,700 illegal constructions were reported from the Dzongkhag branch offices till April 2004. However, after carrying out a detailed study, it was found that the number was actually 1,600. A difference of 100 had occurred as the illegal constructions might have been removed after they were aware of the rules.

It was important to solve these problems before the enactment of the Road Act of the Kingdom of Bhutan. Three point recommendations were submitted to the National Assembly through the Legislative Committee to facilitate the implementation of the Draft Road Act.

1. The buildings/houses on legally registered within the right-of-way of roads before 1 March 1988 and those buildings/houses constructed after 1 March 1988 on legally registered land with prior approval of competent authorities should be acquired by the Royal Government after paying compensation for land and houses or providing substitute land;
2. Buildings/houses constructed within the right-of-way of roads on government land or legally registered land without approval from competent authorities should be demolished and removed without compensation for the buildings/houses;

3. In future, as soon as a road alignment was finalised, legally registered land and/or buildings/houses falling within the right-of-way of roads should be acquired and registered in the name of the road agencies concerned to prevent construction of structures within the right-of-way of roads.

It would be convenient to the Department of Roads if the National Assembly would decide to allow the Government to take over both the government and private land falling on the road alignment.

If the problem on the points submitted were not resolved by the National Assembly, lots of difficulties would arise in the construction of roads in the future. Moreover, it would be appreciable if the members would cooperate to decide since the point submitted was not new but in accordance with the provisions of the road rules and regulations.

The Speaker informed the House that the Legislative Committee had reviewed the draft Road Act of the Kingdom of Bhutan which was drafted by the Ministry of Works and Human Settlement for endorsement by the National Assembly. A copy of the draft Act was distributed to the members to facilitate in the deliberation. The Speaker reminded the House that any difficulties or inconveniences should be discussed to facilitate the deliberation on the draft Road Act.

A Royal Advisory Councillor, the Thimphu Dzongdag and some of the members said that one of the main problems being faced in the Dzongkhag was the illegal construction of buildings/houses on the right-of-way of roads. For instance, in Thimphu many constructions

had taken place along the motor roads from 1970 to 2001. The constructions were carried out both with and without the approval from the Dzongkhags and the geogs. Moreover, some were constructed on dry land as well as on wetland based on temporary agreements reached with the Government agencies.

A committee should be formed in the Dzongkhags to conduct a detailed study on the construction of illegal structures. The representatives from the Ministries and Departments would assist the Dzongkhags. After having conducted a case-by-case study, reports should be submitted to the Ministry of Works and Human Settlement. If the government acquired the land, with or without the approval of the competent authorities, land would be replaced or compensated considering the benefit of the people despite incurring heavy loss to the government.

Some of the members said that since the respective authorities did not have the power to approve the construction of buildings/houses on the government land, no compensation was paid for the buildings/houses, and points 2 and 3 needed to be distinguished further. It was also important to study the procedures for granting approval by the concerned authorities. In case the approval was not in conformity with the rules and regulations, the National Assembly should decide on the penalty and punishment that would be imposed. As the people had already constructed houses on the right-of-way of roads, the welfare of the people should also be considered. The Assembly should take a decision considering the betterment of the road plan as well as the welfare of the people.



Some of the members said that both the government and the people would be at fault with the construction of buildings/houses on the right-of-way of roads. Therefore, the buildings/houses that had been already constructed should be reconsidered. They also submitted for a briefing on the mode of compensation when the road alignment fall on the houses that were already constructed in the villages.

When the rules and regulations came into force in 1993, the Dzongkhag Administration had the authority either to prohibit or permit the construction of buildings/houses on the right-of-way of roads till 2002. Houses were constructed with the intention of benefiting the people and the travellers. Some people needed to be told only once to demolish their house while others refused to listen despite insistence, often resulting in the matter being left unsettled.

Some of the members said that the government had acquired 30 feet of land on the right-of-way of roads after paying compensation when the road construction was initiated. However, it was not understood whether it was not deleted from the sathram or given back to the people by the concerned authorities. This had been the practise since the endorsement of the Land Act by the National Assembly in 1979. The framing of rules and regulations, formalities and Kashos made the laws passed by the National Assembly insignificant.

As it has been enshrined under KA/3(3) of the Land Act that construction of buildings/houses other than *sokshing* and *tsamdrol* in a legally registered land was allowed and the construction of house on the registered land was not a violation of the law. If buildings/houses were constructed on the illegal land, it should be

based on the provisions under KA/12(2) of the Act that no activity should be allowed on illegal land as the land belonged to the government. If the compensation was being based on the provisions of the Land Act, the deliberation should be concluded. There would not be any problem if the Land Act was strictly adhered to.

Moreover, buildings/houses constructed on the legally registered land should be compensated and others should be dealt with accordingly to the law. However, it would be against the Land Act if compensation were not paid to those buildings/houses constructed on the legally registered land. Moreover, it was important to include provisions on the permit and restrictions of construction on the right-of-way of roads from the day the Road Act was enacted. It was not necessary for the government to take over 50 feet of land on the right-of-way of roads. The farm roads of the people should not be included in the Road Act.

Some of the members submitted that it was important to examine the issues based on one's application and agreement submitted to the Dzongkhags as per the Land Act. Moreover, if there were cases of not adhering to the Kasha, it was imperative to forward the case to the Court of Justice. If the land was taken over by the Royal Government as per the policies and plans, it should be in strict compliance with the provision under KA/6(8) of the Land Act. Based on the expediency, compensation should be paid even for the construction of buildings/houses on land without thram.

The Minister for Works and Human Settlement said that the rules and regulations of 1993 had classified road into three parts, viz. the National highway, Dzongkhag roads and feeder roads. Construction

of buildings/houses was not permitted on the right-of-way of these roads from 1 March 1988. Compensation was paid for the buildings/houses existing in the area falling on the road alignment. However, it could not be carried out due to certain difficulties. As submitted by the people, it would be appropriate to carry out the works as per the provision enshrined in the Land Act, the decision of the Lhengye Zhungtshog or the provisions of the Rules and Regulations, 1993, despite incurring heavy expenditure to the Royal Government. Moreover, the decision of the National Assembly should be final and binding.

The National Assembly resolved that provided the buildings/houses constructed within 50 feet on the right-of-way of roads were on the government land, no compensation would be paid as per the law irrespective of the approval being obtained from higher authorities. Moreover, if the construction was on the legally registered land, compensation should be paid as per the law irrespective of having approval or not from the competent authorities considering the welfare of the people. It was also resolved that in the instances of the government taking over the legally registered land according to the road construction policy and plans, compensation should be paid as per the provisions of the Land Act and the policy of the Royal Government. The deliberation on illegal constructions on the right-of-way of roads concluded on 6 July, 2004.

## VI. BORDER TALKS

The people of Thimphu, Dagana and the Bhutan Chamber of Commerce and Industry submitted that since the people were greatly concerned about the issue of the Bhutan-China border, it was repeatedly submitted

in the past sessions of the National Assembly and the Royal Government had also explained the progress of the boundary talks along with maps to the House. The people had heard that the 17<sup>th</sup> Round of Border Talks was held recently and, therefore, requested the government for a briefing on the outcome of the talks.

While deliberating on the issue, it was discussed that despite several rounds of border talks, the people had doubts and concerns about possible security problems in the northern border areas. If this was true, the Royal Government should discuss with the Chinese Government during the boundary talks.

Further, the issue of finalizing the boundary demarcation between Bhutan and China had been discussed at great length during the 80<sup>th</sup> Session of the National Assembly. During the 15<sup>th</sup> Round of Border Talks, the two sides agreed to establish an expert technical group to facilitate the boundary demarcation. It had also been agreed that the two sides would standardise the names of the features and places along the boundary that would be projected on the map. The people requested for a briefing on the progress and outcome on this issue.

Although points regarding the Bhutan-China border had been submitted by some of the members, it was not necessary to engage in separate deliberations as the Prime Minister had made it clear in his annual presentation of the report to the National Assembly. However, the people requested for a briefing on the issues that were not included in the report.

Some of the Chimis submitted that while the demarcation of the boundary was a very important matter, they could not express their

concerns regarding the boundary clearly as they were not members of the Assembly in the past. Therefore, it would be of immense benefit if the Secretary for International Boundaries could explain to the House the status of the border talks.

They also submitted that the people were concerned about the loss of pastureland in Haa to the Tibetan herders as reported by the Haa Chimi and the Thimphu Municipality Chimi. Despite the ongoing border talks, the people were concerned as to how places like Lungkha, Mekha, Shakha Mepa, Jatokha, Khatoedpa, Tshethangkha, Simchong Khongringteng and Toed Gopaize were lost to Tibetan herders. While the Kuensel newspaper reported that the boundary talks were making progress, the statements of the two Chimis raised doubts about the grazing rights and ownership of the pastureland.

It was said that the people of Haa had reported to the government when pasturelands were lost. Although government representatives with the concerned elders of Haa were reported to have held talks with the Tibetans involved in pastureland encroachment, it was not clear whether the pastures were shifted on government order or due to lack of documentary evidence of ownership or out of fear. Therefore, the two Chimis of Haa should give clarification on this issue.

Although the Kuensel and BBS reported that the talks had made progress, the people of Haa who were dependent on yaks for their livelihood appeared to be facing problems from Tibetan herders who were demanding payment for pastures used by the Haaps. Moreover, two of our herders between Chatshongkha and Tongla had been threatened at gunpoint. Therefore, the two governments must restrict the herders of both sides from harassing each other.

The Secretary for International Boundaries informed the House that once the decision was taken to demarcate the border with China, a Border Committee was established under the Chairmanship of the Foreign Minister. All the relevant documents available with the Royal Government and the Dzongkhags were examined. After carrying out these investigations from 1983, the Survey and the Army together went to the border from 1984 to inquire from the people in the areas that were ours from long time ago and to see these areas on the ground. During the 68<sup>th</sup> Session of the National Assembly in 1989, detailed maps and sand model depicting our claim lines on the northern border, and showing up to where our soldiers were going and up to where our livestock were being grazed, were explained to the Assembly members at the Lungtenphu Auditorium.

In keeping with the directives of the National Assembly to hold boundary negotiations with China, 17 rounds of talks had been held till date. During the meeting held by the two delegations led by Vice Foreign Minister Wang Yi and the Foreign Minister of Bhutan, it was decided to establish an expert group at the technical level to help expedite the boundary negotiations.

During the 16<sup>th</sup> round, it was decided to exchange 1:500,000 scale maps with the respective claim lines which would be examined by the two governments and the differences would be projected on a 1:100,000 scale map. The Chinese delegation to the 17<sup>th</sup> Round of Border Talks in Thimphu in April 2004 did not bring the map with the claim lines. They told us that they had examined the description of our claim lines which we had given to them during the 16<sup>th</sup> round held in 2002 in Beijing and found that there existed differences between our claim lines and their

perception of the boundary line. They said that exchanging maps showing differences in claim lines would not expedite the process of boundary demarcation. Therefore, they proposed that the expert group should meet at the technical level as many times as necessary to narrow down the differences in the claim lines so that we could arrive at an agreed common line which would be beneficial to both the countries. Once a common agreed line was reached, it would be marked on the map and the maps would be exchanged. The Secretary said that once maps were exchanged and the Chinese claim line is received on their map it will be submitted to the National Assembly. The agreed common line would also be presented to the National Assembly. This would be followed by joint field survey on the ground to demarcate the boundary which would be projected on our respective maps. It was agreed that the expert group would meet as early as possible, as convenient to both governments.

Some of the members expressed concerns that inability to maintain security in the northern border would not only affect the environment but would also endanger indigenous medicinal plants. Therefore, it was imperative to ensure strengthening of security during the talks between the two countries.

Some of the members, in the past sessions, had submitted that if the Ministry of Foreign Affairs based the talks on the interim agreement that accorded equal power and affirmed the friendly relations between Bhutan and China, till the boundary between the two countries were finalised, there would be no problem along the border. Although, the number of Tibetans coming to harvest Cordyceps during the summer had been increasing every year in the past, the numbers had decreased due to the Agreement between the two countries. Therefore, the

members expressed the view that there would be no problems in the future if the talks were held between the two countries in line with the Agreement.

The members also sought clarification regarding the loss or recovery of the pastureland of the Haaps, if the boundary were to be demarcated in line with the talks being held. The House also called for detailed clarification regarding the possibility of our land falling under Chinese territory and Chinese land falling under Bhutanese territory, if the boundary was demarcated along the rivers and streams.

Speaking on the issue, the Minister for Foreign Affairs said that the border talks between Bhutan and China had always been accorded the highest priority. As the hon'ble members were aware, interim agreement had been signed between the two countries in 1998 to maintain peace and tranquillity along the Bhutan-China border. One of the provisions enshrined in the agreement stated that until the boundary was demarcated, the two countries would observe status quo of the border as it was in 1959.

The Foreign Minister explained that demarcation of boundaries involved hard work and was time consuming. He said that the boundary negotiations were being conducted in accordance with the directives of the National Assembly and the claim line shown on the maps, signed by the Speaker and the Deputy Speaker, and displayed before the Assembly members at Luntenuphu in 1989. He said that just as disputes arose in villages when boundaries were not properly demarcated, such problems also emerged between countries and it was important to finalize the boundary. Problems faced by Bhutanese yak herders would be resolved once the border was demarcated. To expedite the process, the two sides



had agreed that the Expert Group would examine the claim lines at the technical level. This would be followed by joint field survey on the ground. The border talks were, therefore, reaching a very important stage.

Speaking on the issue, His Majesty the King reminded the members that since 1984 Bhutan and China had held 17 rounds of talks with the 17<sup>th</sup> Round of Border Talks held in Thimphu in April this year. Over the past 20 years, the leaders of the Bhutanese delegations had always reported the outcome of the boundary talks to the National Assembly and kept the house fully briefed about the progress of the negotiations. The Royal Government never held talks with the Chinese Government without the knowledge of the National Assembly and always adhered to its decisions including the claim line confirmed by the Assembly.

As submitted by the Secretary for International Boundaries, our boundary claim line from the Tri-Junction in the West to Me La in the East had been marked on two maps which were displayed to the National Assembly in 1989. The two maps were signed by the Speaker Lyonpo Sangay Penjor and the Deputy Speaker Dasho Passang Dorji so that it would not be said in the future that the claim lines on the maps had not been approved by the Assembly since the members of the house would keep changing over the years.

His Majesty noted that 15 years had elapsed since the maps were signed by the Speaker and the Deputy Speaker. Most of the members, government representatives as well as the Chimis, were new and had not attended the discussion in Lungtenphu in 1989. His Majesty, therefore, suggested that the Secretary for International Boundaries should brief the Assembly on the background of the boundary talks with the two

maps displayed in the hall for a better understanding of the claim lines and boundary issue.

With the 18<sup>th</sup> Round of Border Talks to be held in the near future, it was important for the members to be fully aware of Bhutan's claim line. It was also important for a small country like Bhutan to have its border clearly demarcated with a large country like China with the world's largest population and a total area of 9.6 million square kilometres.

His Majesty expressed his confidence that Bhutan and China which shared a close friendship and understanding would finalize the boundary demarcation with mutual respect for each other's sovereignty and territorial integrity.

His Majesty also commented that he was not aware of Bhutanese pastures being lost or of Bhutanese herders being threatened at gunpoint, as reported to the house by some of the members.

The Speaker noted that since all the people were concerned over the Bhutan-China border, the agenda submitted to the National Assembly had been deliberated at great length. The Minister for Foreign Affairs and the Secretary for International Boundaries had submitted comprehensive reports and clarifications on the issue. It was hoped that the members had paid due attention to the clear briefing given by His Majesty the King on the background and progress of the border talks between the two countries. The doubts and concerns raised by the members on the border issue would be further clarified on Friday during the presentation of the two maps to the House by the Secretary for International Boundaries. The Foreign Ministry had conducted the negotiations in accordance with the resolutions of the National

Assembly and the talks had reached an advanced stage. The Speaker expressed his hope and confidence that the Ministry of Foreign Affairs and the Department of International Boundaries would continue to carry out the boundary negotiation bearing in mind the submissions of the members and the resolutions of the National Assembly.

While resuming the deliberation on the border issue on 9 July 2004, the Speaker recalled the submissions made by two Chimis about the loss of six pastures to Tibetan herders in the north and about Bhutanese herder being threatened at gunpoint by Chinese soldiers. If these reports were true it would affect the security of the country as well as the relations between the two countries. The Secretary for International Boundaries was requested to make clarifications on the issue.

The Secretary for International Boundaries briefed the House on the progress of the border talks. Regarding the reported loss of pasturelands, he pointed out that as the boundary was not yet finalised, the question of losing our pastures to Tibetan herder did not arise. Nor was it true that Chinese soldiers had threatened our herders at gunpoint. The submissions made by the two Chimis were baseless. The fact of the matter was that a Bhutanese herder called Aum Gaki had moved out of the Tongla pasture after her yaks had finished grazing in the area. She was not evicted by Chinese soldiers in the area who only asked her not to build sheds and to pay tax if she wanted to graze her livestock in the area.

The Secretary reminded the members that regarding demands for some form of tax in money or kind from our herders, such demands had come up many times before. On this, His Majesty had issued strict commands, which we had conveyed to our herders during our visits to the border.

Our herders were instructed that they must not pay any tax for grass or water and they should continue to graze their livestock as before. The Secretary pointed out that such demands on our herder would continue to be made until the border negotiations are concluded.

The Secretary informed the members that Bhutan's boundary claim line starts from the vicinity of Batangla and goes to Merugla and Sinchela. From there it goes down to Amo Chhu and then to Langmarpo Zam. From the confluence of Langmarpo Chhu and Amo Chhu, it goes along Docherimchang from where it goes to Gomla and from Gomla to Pangkala. From there it goes down to Dramana Chhu and after crossing the Dramana Chhu it goes to Dramazingze. From Dramazingze it goes down to the junction of the Gui Chhu and the Tromo Chhu. From there it goes along the Gui Chhu to Lungkala and then to Tremola. From Tremola it goes along the ridgeline where there is no dispute.

The Chinese, on the other hand, have been going from Gyemochen and Chela to Amo Chhu and from Amo Chhu to Dolepchen to Phutegang ridge to Zursumla, Yarila and then to Chundogang and to Lungkala. Within this their soldiers have been moving about and their livestock have also been grazing in these areas alongside our livestock. They have army camps at Phuetegang, Wuchumakhang and Lepola.

The Secretary informed the house that although the two sides had not exchanged maps, Bhutan's claim line had been put forward to the Chinese.

In the East, Bhutan's claim line goes along the ridgeline to Domapala. From Dompala it goes to Choigongla, Yangjula and to Newla along the ridgeline. The Chinese, on the other hand, are claiming that the

boundary goes from Dompala to Tshokhala to Rinchen Bumpa and then to Newla. As the hon'ble members are aware, their soldiers have been coming up to Tshokhala and their livestock have been brought up to Bjakarlum.

The Secretary informed the House that ever since the boundary talks with China had started in 1984, His Majesty the King had commanded the Bhutanese delegation to the talks to make every effort to demarcate the northern border to the best advantage of the government and people of Bhutan. The boundary negotiations were being conducted in accordance with the resolutions of the National Assembly and the claim line on the two maps that had been approved by the house and signed by the Speaker and the Deputy Speaker in 1989 at Lungtenphu. The Bhutanese delegation would continue to report the outcome of the negotiations to the House and make every effort to carry out its responsibilities successfully in keeping with the directives of the National Assembly.

Following the briefing by the Secretary for International Boundaries, several Chimis said that the concern they had felt over the submissions made by the Haa Chimi had been removed by the clarifications given by the Secretary. As the boundary talks were very important for the two countries, they expressed the hope that any problem that would be settled amicably by the two sides through goodwill and understanding. They requested the government to demarcate the border as soon as possible for the benefit and satisfaction of the people.

Some Chimis submitted that regarding the reports about Tibetan herders and soldiers threatening Bhutanese herders, it was due to concern over the unresolved border and disputes between the herders of the two sides.

The submissions had been made as a reflection of the doubts and concerns in the minds of the people. However, any action taken by the government on the issue would be acceptable to the people.

The Speaker pointed out that, as commanded by His Majesty the King, the maps were displayed in the House and explained by the Secretary for International Boundaries for the benefit of the new members. The Secretary had also clarified the issues raised by the Haa Chimi and the Chimi of Thimphu Municipality. The two Chimis had made reports based on what they had heard from others without verifying the facts. The Speaker reminded the members to avoid submitting false and unconfirmed reports to the House.

The National Assembly expressed satisfaction and appreciation over the progress and results of the boundary negotiations up to the 17<sup>th</sup> Round of Border Talks. The Secretary for International Boundaries had reported that an Expert Group would be established by the two governments to expedite the demarcation of the boundary. Accordingly, the Royal Government should conduct the boundary talks with China making every effort to finalise the border as expeditiously as possible as per the claim line approved by the 68<sup>th</sup> Session of the National Assembly.

The deliberation on the border talks concluded on July 9, 2004.

## VII. ATTACK ON THE BHUTANESE JVT MEMBERS BY THE PEOPLE IN THE CAMPS IN NEPAL

The people of twenty Dzongkhags and the Bhutan Chamber of Commerce and Industry submitted that it was the responsibility of the Nepalese Government to identify the people involved in the assault and

abuse of the members of the Bhutanese verification team and take firm action to bring the perpetrators to justice. Further, the verification process should be stopped until appropriate action was taken against the perpetrators and conditions become more conducive. As their heinous act has violated the peaceful approach, these people should not be allowed to come to the country.

Some of the members submitted that while our sovereign independent nation was enjoying peace and tranquillity, the problem of the Ngolops had emerged in southern Bhutan in the 1990s. Everyone was aware that before they left for Nepal, these people had turned against the Tsa-Wa-Sum, committing heinous acts of robbery, murder and terrorism inflicting unimaginable problems and insecurity to the innocent people. Once they reached the camps in Nepal, they tried to malign His Majesty the King, the Royal Government and the people of Bhutan with baseless allegations. However, the Royal Government has continued to show magnanimity and compassion to find an amicable solution to the problem. The Ministerial Joint Committee (MJC) formed jointly by the Royal Government and the Nepalese Government had held 15 rounds of meeting and achieved substantive results. After completing the verification process in the first camp, the MJC was in the process of confirming the categorisation results. In the meanwhile, during a briefing session, the Bhutanese verification team members were verbally abused and physically attacked which shocked and angered the Bhutanese people.

Some of the representatives submitted that further talks relating to joint verification should be stalled. Moreover, as submitted in the previous sessions of the Assembly, these people who had left the country on their own free will after selling their land and property, not even heeding to

the personal pleas of His Majesty the King to stay back, should not be allowed to come to the country. As the heinous act has hurt the sentiments of the Bhutanese people, the 82<sup>nd</sup> session of the Assembly must decide not to allow the people in the camps in Nepal claiming to be Bhutanese refugees to come to Bhutan.

Furthermore, some of the members submitted that only those people displaced from their homes after their property and houses were destroyed due to natural calamity, epidemic and misfortune and seeking refuge in other countries could be called refugees. The members inquired as to how some of the people living in the camps who left the country to avoid punishment for committing heinous crimes could be called refugees. Moreover, the Assembly should be informed about the action taken by the Nepalese Government against the perpetrators who attacked and abused the officials of the Bhutanese verification team.

Likewise, some of the people's representatives submitted that out of seven major political parties and 14 minor parties in the refugee camps in Nepal, Bhutan Gorkha Liberation Front (BGLF) and Bhutan Communist Party (BCP) had links with the Maoist Party of Nepal, propagating the same aims and objectives. Therefore, if we allow such people to come to our country, they would threaten the peace and security of the country in the future. Therefore, the Royal Government should never allow the people in the camps in Nepal to come to our country.

The Samtse Dzongdag submitted that when only 304 people claiming to be Bhutanese refugees had come to Nepal, the Nepalese Government had arranged to provide food, shelter, health services and education opportunities to the people in the camps. The people in the camps in



Nepal enjoyed better facilities compared to similar camps in the world. Furthermore, there were seven major and 14 minor political parties. The main objective of forming such political parties was to establish their own government and amend the Citizenship Act and other legislations of the country. It was important that the members consider these issues while deliberating in the Assembly to resolve this problem as per the Citizenship Act.

The Foreign Minister briefed the House on the issue and also provided a detailed briefing on the verbal abuse and physical assault on the officials of the Bhutanese verification team at Khudunabari camp in Nepal on 22 December, 2003 as well as on the status of the bilateral talks with Nepal to resolve the issue of the people in the camps. In this connection, the Ministry of Foreign Affairs distributed a 31-paged booklet titled “Report on the issue of the people in the Camps in Nepal” which covered the following issues:

1. Background on the establishment of the camps in Nepal;
2. Background to the bilateral process;
3. Main agreements and understanding reached through the bilateral process;
4. Work of verification and categorisation by the JVT;
5. Main highlights and achievements of the 15<sup>th</sup> Ministerial Joint Committee;
6. Return of JVT to Damak, Nepal, for Field Work;
7. Attack on the Bhutanese Verification Team on 22 December, 2003;
8. Post 22 December, 2003 follow up action taken by the Foreign Ministry;
9. Position on Initial Investigation report received from Nepal; and
10. Other related development.

The origin of the camps in Nepal could be traced back to 1991, when a small group of people claiming to be Bhutanese refugees were allowed to enter Nepal without any authentication of their claims. When the number of people was only 304, the Nepalese Government sought external assistance for providing free food and shelter but did not put in place basic screening procedures for entry into the camps. As a result there was a dramatic increase in the number of people entering the camps. The Royal Government of Bhutan had made concerted efforts to prevent the increase in the number of people in the camps but to no avail. After a proper verification process was started in July 1993, the number of people entering the camps declined drastically, but by then the number of people in the camps had already reached the present level.

As the problem of the people in the camps in Nepal was a complex issue, the Royal Government and the Nepalese Government had considered it best to resolve this problem bilaterally. Following this understanding, the two governments met for the first time in July 1993. This meeting agreed to establish a bilateral “Ministerial Joint Committee”. The Ministerial Joint Committee was to:

1. Determine the different categories of people in the camps;
2. Specify the position of the two governments on each of the categories; and
3. Arrive at a mutually acceptable agreement on each of the category, which will provide the basis for the resolution of the problem;

However, the two countries faced numerous difficulties in reaching a consensus as vested groups in Nepal wanted the Royal Government to take all the people in the camps without any question or conditions.

Others saw a role for themselves in the resolution of the problem and blindly opposed the bilateral process. In addition, the frequent change of government in Nepal added uncertainty to the whole process.

Despite the complexity of the bilateral talks, significant progress has been made. The centrality of the bilateral process in resolving the issue of the people in the camps has been recognized and was widely appreciated by many countries. With agreement reached on almost all the major issues, the bilateral process was now poised to serve as the benchmark for the closure of rest of the camps on the basis of a harmonised position on each of the categories.

The people in Category 1, Bona-fide Bhutanese if have been forcefully evicted, would be repatriated to Bhutan. The people in Category 2, Bhutanese who had emigrated, would be provided with the option to reapply for Bhutanese citizenship or apply for Nepalese citizenship. The people in Category 3, who are non-Bhutanese, would return to their respective countries. The people in category 4, Bhutanese who have committed criminal acts, would be given the option to return to Bhutan and face criminal charges in the court.

The agreement on harmonisation of position on the four categories was reached only after 10 years as neither country wished to compromise or be seen to compromise its national laws relating to citizenship. However, both the countries recognized that a prolonged and rigid stand on the issue would be futile and could derail the bilateral process. Therefore, the two countries signed an agreement to respect the national laws relating to citizenship during the 12<sup>th</sup> Ministerial Joint Committee held in February 2003.

To facilitate the agreement on harmonisation, the Royal Government offered a liberal interpretation of its laws but made it clear that this was the maximum it was willing to offer as anything more would be contravening its own laws. Those eligible and applying to come to Bhutan would be dealt as per the laws of the land. Some section of people had raised questions on the probation period for those applying for Bhutanese citizenship. To this, the Royal Government had pointed out that they should abide by the requirement under clause NGA-1 of the Bhutan Citizenship Act, 1977, which states, 'In case a Bhutanese citizen who having left the country returns and applies for citizenship, the Royal Government shall keep the applicant on probation for at least two years'.

A Joint Verification Team (JVT) was established to verify, categorise and implement the harmonised agreements.

The result of verification of the Khudunabari camp showed that out of 12,183 people, only 303 people in the camps were in category 1. When the results of categorization were announced at the camp on June 18, 2003, the Nepalese media, certain international NGOs and dissident leaders condemned the result and some even called for its rejection. Two days of demonstrations were also held in front of the JVT office condemning the categorization. After declaring the categorization results, 15 days were given for those who wanted to appeal against their category. The MJC directives to consider appeals only if they presented new material evidence or established clear error in the categorisation process was clearly explained to the people. Until the last three days of the appeal deadline, only a handful of appeals were received. Suddenly there was a huge rush and a total of 2,965 appeals representing 94 percent of the categorised people were received.

It was known that while the categorized persons themselves were ambivalent about appealing, they were pressurised into doing so by the vested groups. The Nepalese media had itself reported quoting senior Nepalese officials that appeals were condemnatory in nature and most of the appeals were not within the criteria set for the appeal.

The 15<sup>th</sup> Ministerial Joint Committee held from 20-23 October 2003 confirmed the categorisation in C1, C2 and C4 and only 5 cases were re-categorised from the 2,968 appeals. It was decided that the C3 appeals would be re-examined by the JVT when they next convened. It was reconfirmed that persons under C1, C2 and C4 who voluntarily apply to return would be repatriated as per the harmonised position on these categories and the Government of Nepal would give the people in C2 who did not wish to come to Bhutan the option to apply for the Nepalese citizenship as per the harmonised position on this category. It was also re-confirmed that terms and procedures for repatriation/reapplication/application for Bhutan and Nepal as applicable under each country's respective laws would be mutually respected. Sanischare was identified as the next camp for verification. It was decided that the JVT would review the C3 appeal cases, brief the people on respective terms and procedures, distribute and compile the agreed forms by category during February 2004.

As per the directives of the MJC, the JVT convened in Damak, Nepal on 1<sup>st</sup> December 2003 to carry out assignments mandated by MJC. As the camp population was over 12,000 in seven sectors, it was decided to carry out briefing for one sector at a time. However, when the JVT reached Khudunabari for the scheduled briefing on December 22, 2003, 8,000 to 10,000 people had gathered. About half an hour through the briefing, a group of people forced their way into the hall and joined by

those inside began to abuse and attack the Bhutanese verification team members. Since the inception of verification process in 2001, the Bhutanese verification team had intimated their security concerns to the Nepalese authorities in writing in September 2001 and again in June 2003 and had requested them to arrange adequate and appropriate security during their stay in Nepal.

The Bhutanese Verification Team (BVT) managed to escape from the camp and rushed straight to the Lifeline Hospital in Damak. While in hospital, no representative of the Nepalese verification team came to enquire or assist the team. Following the attack on the BVT, the Royal Government made arrangements for an Indian security escort to accompany the BVT up to Phuentsholing from the Nepalese border on December 23, 2003. The incident of 22 December was due to negligence and failure of the Nepalese Government to honour its responsibility towards proper safety and security of the BVT. At the time of the incident, the Royal Government was pre-occupied with the military operations against the Indian militants. On being informed of the attack on our verification team, the Foreign Ministry issued a press release on the incident on 23 December, 2003. The release was distributed among the international agencies based in Thimphu and through the Royal Bhutanese Embassies and Missions. On the same day the Foreign Minister telephoned the Nepalese Foreign Minister to register our regret on the attack and to explain our team's withdrawal.

At the time of the 12<sup>th</sup> SAARC Summit held in Pakistan, the Royal Government raised the incident with the Government of Nepal. The Foreign Minister met with the Nepalese Foreign Minister at the BIMST-EC meeting in Thailand on 7 February 2004, and conveyed the following:

- The 22<sup>nd</sup> December incident was a very serious incident in which members of the BVT were nearly killed;
- The Bhutanese public were shocked and angered by the incident and cannot understand the violent behaviour of the camp people when the BVT was only carrying out the works entrusted to them by the MJC for the benefit of the camp people;
- That the incident was pre-planned and premeditated. It was not provoked by the Bhutanese terms and conditions as alleged by vested groups in Nepal. The Bhutanese terms and conditions were not new to the people as copies had been handed over to them by the BVT earlier in June of the same year and a copy also handed to him by Lyonpo at the time of the 15<sup>th</sup> MJC in October 2003;
- An immediate resumption of the works would be counterproductive and risky as another untoward incident would derail the whole process;
- Expressed surprise and regret that an enquiry, which would have been the normal thing to do following such an incident, had not yet been initiated so far;
- Requested the Nepalese Government to carry out a thorough investigation into the incident and initiate legal action against the perpetrators and put in place adequate security measures; and
- Explained that the call for the investigation and action against the perpetrators was made, not just for its own sake but to send the

message that such unlawful behaviour would not be tolerated and to ensure that such incidents would not be repeated in the future;

- Emphasized the importance of putting in place necessary safety and security measures before resuming work in order to prevent occurrence of similar incidents in the future. The last time around, the BVT had been lucky to escape with their lives but the same could not be taken for granted in the future;

On this issue, the Nepalese Foreign Minister expressed regret over the incident but stated that while they had reservations on the utility of such an investigation, a report would be submitted to the Royal Government of Bhutan after consulting his Government. However, there was no communication from the Nepalese Government even after a lapse of two months.

Meanwhile, the Nepalese media alleged that the incident was only a 'minor scuffle' provoked by the Bhutanese and accused us of using the incident to stall the bilateral process. The international community also raised some concerns on the stalled process.

The Royal Government had reiterated its commitment to the bilateral process. If the incident of 22 December, 2003 had not occurred, the process of repatriation would have started by 16<sup>th</sup> February, 2004.

On 5 April, 2004, the Nepalese Foreign Minister called to propose a Ministerial meeting to be preceded by a meeting of senior officials to continue the bilateral process. The Foreign Minister responded to the Nepalese Foreign Minister over telephone on 12 April 2004 and said that if the verification process were to continue, the Nepalese Government



should investigate into the incident and initiate legal action against the perpetrators as the attack on eight Bhutanese officials was a serious matter. He also said that without the Government of Nepal undertaking a thorough investigation into the incident, initiating legal action against the perpetrators and putting in place adequate security measures, he would not be in a position to move the Royal Government towards the resumption of the process.

The Royal Bhutanese Embassy in Delhi received a investigation report on the incident at Khudunabari camp from the Nepalese Foreign Minister on 12 May 2004. The report fell far short of the request made by the Royal Government and contained a number of factual inaccuracies. Moreover, the report stated that no individual could be identified as being responsible for the incident and instead made baseless allegations that the attack was provoked by the Bhutanese terms and conditions and called on the Royal Government to relax its terms and conditions. From what we gathered the report was not a result of the investigation but a compilation of news and the opinion of the media and the NGOs.

The Royal Government had made it clear that the incident was not something out of the blue, but the culmination of a series of intimidating and abusive tactics to which the Bhutanese verification team had been subjected to right from early 2001 when they started the verification exercise.

Likewise, the Royal Government pointed out that the agreements and understandings between the two governments were clear. Calling on Bhutan to relax its terms and conditions relating to the Citizenship Act

was contrary to those agreements and hence not acceptable to the Royal Government of Bhutan.

The purpose of the report from the Nepalese Government was to investigate and take action against the perpetrators based on facts. Therefore, calling on Bhutan to relax its terms and conditions relating to the Citizenship Act was out of context and beyond the purview of such a report. Such unwarranted statements would send the wrong message that physical attacks on Bhutanese officials would lead to further relaxation of the Bhutanese Citizenship Acts.

The Nepalese Foreign Minister had said that he appreciated and understood our point of view but he would need to discuss on the report with his government. Meanwhile the government in Nepal changed and no response has been received so far. The fluid political and security situation in Nepal continue to be a source of serious concern to us.

A Bhutan Gorkha Liberation Front (BGLF) and a Bhutan Communist Party (BCP) had been formed and the BCP had links with the Maoists in Nepal. The Maoists were also recruiting the people in the camps and some of these people had been participating in Maoist attacks in Nepal. About 2000 of them have moved to India and established their camps on the Indo-Bhutan border. If such people were allowed to come to Bhutan, there was a risk that our country would be infested with Maoists.

In conclusion, the Foreign Minister stated that the Royal Government would abide by all the agreements reached with the Nepalese Government to find a lasting and durable solution to the issue of people in the camps in Nepal. This includes the commitment to take back all those people in the camp who were identified to be genuine Bhutanese

refugees. Similarly, while continuing the discussions with the Nepalese Government, the Royal Government will be guided by the national laws, the Citizenship Act and the resolutions of the National Assembly.

The Foreign Minister also expressed his deep gratitude and appreciation to the Bhutanese verification team for their dedication in carrying out their responsibility, even putting their own lives at risk. During the deliberation on the issue, the honourable members expressed their strong emotions and sentiments as the Bhutanese people felt deeply concerned over the attack on the BVT.

Several members submitted that the people who had turned against the Tsa-Wa-Sum and left the country for Nepal had committed heinous crimes. After reaching Nepal, they tried to malign the Royal Government and the people with many baseless allegations and made constant efforts to incite the international agencies. However, the Royal Government showed magnanimity and compassion and the governments of Nepal and Bhutan formed the Ministerial Joint Committee. The Assembly was aware that since its establishment substantive achievements had been made on the verification process.

The verification process in one camp out of seven camps in Khudunabari was nearing completion. These people instead of showing appreciation for the opportunity to undergo the verification process had attacked the Bhutanese verification team members. As these people had carried out the shameful act of violence unacceptable to the Bhutanese people, the 82<sup>nd</sup> session of the Assembly must decide not to allow these people to come to Bhutan and the joint verification process and the bilateral talks should be kept on hold. Unless the perpetrators involved in the assault and abuse of the Bhutanese verification team were identified and

punished by the Nepalese Government, the Royal Government should not agree to continue the joint verification exercise.

Likewise, some members submitted that the bilateral process should not be continued unless an agreement was reached with the Nepalese Government to provide proper security arrangement to avoid such problems in the future. The people in the camps in Nepal had also been making allegations that there are no human rights in our country, even saying that the Royal Government had forcefully evicted the people from southern Bhutan who were presently living in the camps in Nepal. These allegations are all baseless. For example, Gajinga Saila, brother of Dhan Prasad Rai, a ngolop leader from Sangbay Geog under Haa Dzongkhag has been living comfortably in his village in Bhutan.

Some representatives submitted that G.P.Koirala had formed the Bhutan Congress Party in 1950 with the sole objective of making Bhutan a part of 'Greater Nepal'. As he had been a part of the Ngolop activities in Bhutan at that time, it may be very difficult to solve the problem today when he is a senior leader in Nepal. The members asked and voiced their opinion as to why the people who left for Nepal could not be accepted by Nepal despite claims of Nepali brotherhood.

The Foreign Minister informed the house that the National Assembly members were already aware of the bilateral talks regarding the people in the camps in Nepal including the issue of categorisation and harmonisation. Briefings and discussions on the issue had been carried out during the 76<sup>th</sup>, 77<sup>th</sup>, 78<sup>th</sup>, 79<sup>th</sup> and 81<sup>st</sup> sessions of the Assembly.

Accepting the submissions of the members, the Foreign Minister stated that over three years had passed since the start of the verification process

in 2001 and it would now be difficult to revoke the agreements reached with the Government of Nepal as well as the resolutions of the earlier sessions. Such a move on our part could also tarnish our image as a country that respects the law and agreements it has reached with other countries.

The Foreign Minister said that the people should not be concerned as the laws of the two countries would be respected while resolving the problem of the people in the camps in Nepal.

It was made clear that the Nepalese Government should identify and punish the culprits responsible for the attack on the Bhutanese verification team in the Khudunabari camp on 22 December, 2003. The security arrangement should also be strengthened if the bilateral process were to continue. The report of the Nepalese Government stated that the mob involved in the attack could not be identified. The Royal Government was of the opinion that if the people involved in the attack were not brought to justice, there was the risk that these people would not only attack again but also take the lives of other people in the long run. Therefore, the Nepalese Government was urged to bring the perpetrators to justice.

Further, as the government in Nepal was changing very frequently, the verification process faced some set backs resulting in the delay of the process. However, substantive achievements were made till the 15<sup>th</sup> Ministerial Joint Committee. The people in the camps in Nepal had established parties called Bhutan Gorkha Liberation Front and Bhutan Communist Party. These parties are reported to have joined with the Nepalese Maoist rebels. More than 2,000 men in the camps in Nepal

with Maoist links were reported to have moved to India along the Indo-Bhutan border, posing a serious threat to Bhutan's security.

The Speaker noted that the people of the 20 Dzongkhags had submitted the point on the attack of Bhutanese JVT members by the people in the camps in Nepal. During the deliberation on the issue for two days from 7 to 8 July 2004, the Samtse Dzongdag, who was a former member of the JVT, had submitted his observation and experience about the camps in Nepal. As everyone was aware, the people in the camps in Nepal received better facilities and services than any other refugees in the world.

The Foreign Minister had informed the House on the results of bilateral talks between the governments of Nepal and Bhutan since 1993. The Assembly had received a briefing on the pre-planned and pre-meditated attack on the Bhutanese officials at Khudunabari Camp on 22 December, 2003. At the time of finalising the verification process in the first of the seven camps, the Bhutanese verification team members were physically attacked and verbally abused, resulting in the stalling of the process. Since the government in Nepal changed frequently, the bilateral process could not be implemented effectively.

The Assembly commended the Foreign Minister for presenting a complete report on the bilateral process. The Assembly also commended on the substantive achievements made by both sides since 1993 till the 15<sup>th</sup> Ministerial Joint Committee. Further, the National Assembly acknowledged the dedication of the Bhutanese officials of the JVT for carrying out their responsibilities in accordance with the directives of the Royal Government for the interest of the country and the people, even risking their lives in the process. The National Assembly noted that it

was important to avoid similar incidents like the one faced in the past year. Therefore, the governments of Nepal and Bhutan should hold talks to strengthen security measures before the Foreign Ministry and verification team continue the bilateral process.

The National Assembly resolved that further bilateral talks should be held in accordance with the policy of the Royal Government, the resolutions of the National Assembly, agreements reached between the two governments and the Citizenship Act of the Kingdom of Bhutan.

The deliberation on the bilateral process including the attack on the Bhutanese officials by the people in the camps in Nepal concluded on 8 July, 2004.

#### VIII. PUNISHMENT TO THE PEOPLE WHO EXTENDED ASSISTANCE TO THE ULFA, NDFB AND KLO MILITANTS

The people of Dagana, Pemagatshel, Wangdue Phodrang, Punakha, Bumthang, Chukha and Trashigang Dzongkhags submitted that despite the conscious efforts made by His Majesty the King to safeguard the security and sovereignty of the nation to resolve the problem of ULFA, NDFB and the KLO militants, some of the Bhutanese people without any *Tha Damtse* had been deliberately assisting the militants, completely disregarding the laws of the Kingdom, for their personal gains. Such people should be punished according to the National Security Act of Bhutan without any clemency and the Royal Government should confiscate their properties.

Some of the members submitted that the collaborators of the militants should be punished as per the National Security Act, 1992, and the

process of ongoing trial of such persons should be continued. If people of such behaviour were not stopped right now, it would pose a serious threat to the peace and security of the country in the future. Therefore, the National Assembly should decide on their punishment and even terminate such people from their jobs.

Similarly, some of the representatives said that the number of such disloyal people would multiply in the future in case the associates and accomplices of the militants were not punished. As the people had expressed their desire to know on the ongoing trial of the culprits, it was important to publish the verdict in the Kuensel and broadcast over radio and television for the information of the people.

Some of the representatives said that the government should carefully verify and confiscate the properties illegally accumulated by the collaborators and their licenses should be revoked by the government. The members sought the permission of the Assembly to submit their views in the Assembly and also publish in Kuensel in case they were not satisfied with the court verdict.

Those people who had put the security of the nation at risk should be severely punished without any clemency as per the provisions of the National Security Act and the resolutions of the Assembly. The people should be informed about the number of people identified by the Royal Government and the punishment meted out to them by the Royal Court of Justice. They also sought clarification on the number of businessmen and government employees involved in such criminal activities. If these people were not punished, the sovereignty of the country would be at risk in the future. Moreover, the properties accumulated through such



activities should be thoroughly investigated and confiscated by the government.

The Prime Minister informed the House that as per resolution no. 12 of the 77<sup>th</sup> session of the National Assembly, 1999, those people involved in undermining the security of the nation should be dealt with according to the laws of the land. As of now, the Royal Government had apprehended 144 people, out of which the verdict in respect of 22 people had been announced. About 121 people were still undergoing trial while a person was yet to be charged in the Court.

The members were reminded on the decision of the closed-door session of the 81<sup>st</sup> session of the National Assembly. The Royal Government was directed to hold a peaceful negotiations with the militants. In the event the militants refused to heed to our peaceful approach, military action would be taken to remove them from our soil.

Under the command of His Majesty the King and the instruction of the Lhengye Zhungtshog, the Minister for Home and Cultural Affairs led the Bhutanese team for talks with the militants on the convenient dates set by them. Talks with ULFA were held from 28-31 October 2003 and with NDFB from 27 November to 1 December 2003. However, the KLO refused to come for talks despite the invitation extended to them. Bishnujyoti Burhagohain, Political Advisor, headed the ULFA while B. Erak Dao, Publicity and Information Secretary led the NDFB group during the talks.

The Royal Government had held five rounds of talks with ULFA, three rounds with NDFB and one round of talk with the KLO headed by some mid-level officers. During the talks, the Royal Government had always

considered the militants as terrorists like in other countries and not as refugees. Their presence in Bhutan was a true sign of their disrespect to the sovereignty and independence of our country. The militants were not only terrorising but also harassing our innocent people. The Royal Government made it clear that our approach for peaceful resolution of the problem was in consideration of our age-old relationship with the state of Assam and should not be construed as our weakness.

Further, the continued presence of the militants in our country would not only pose a threat to the sovereignty of our nation but would also create misunderstanding between India and Bhutan. Since India was a close neighbour and our development partner, the militants were asked not to jeopardise the existing relationship between the two countries and pleaded not to harbour any ill-feelings that would affect the sovereignty of our country.

Similarly, it would be impossible for them to fight against the Indian Government. Instead it was important for the militants to solve their problem peacefully as per their Constitution.

According to the resolutions of the past sessions of the National Assembly, the militants were asked to remove their main camps, reduce their strength in the other camps and leave our country peacefully. However, in case the militants refused to leave our country peacefully, military action would be taken to remove them as per the resolutions of the National Assembly. Failure to leave the country peacefully would indicate that they had no respect and concern for the Royal Government and its people. Taking military action would not only be a war between the two brothers but would have no positive bearings at the end. Instead

of achieving their goal and benefiting both the sides, war would invite more casualties.

The militants had said that the prime reason for their continued stay in our country was the well-suited mountainous and forested landscape and that they would not leave our country until and unless their goals were achieved, clearly indicating their motives to prolong their stay in our country.

Moreover, the militants even went to the extent of saying that their camps were set-up in the dense forests and convenient hideouts. Therefore, leaving aside the Bhutanese army, even the attack by the Indian military would be futile. However, they said that they had no problem in removing their smaller camps and reduce their strength but it was not possible for them to remove their main camps.

Similarly, the militants had refused to leave peacefully intimidating to choose between the age-old ties between the state of Assam and Bhutan and the newfound relationship between India and Bhutan. According to the command of His Majesty the King, the Lhengye Zhungtshog in its 239<sup>th</sup> meeting directed the armed forces to take military action against the militants as resolved by the National Assembly in its past sessions. His Majesty the King left the capital for the visit to Samdrup Jongkhar. The armed forces began the attack to remove the militants on December 15, 2003 at 9 am.

Before the military operation began, His Majesty the King had informed the Prime Minister from Deothang that the military operation would be launched and accordingly the Prime Minister informed the Council of Ministers. Keeping with international norms, His Majesty the King also

informed the Indian Prime Minister. Under His Majesty's wise guidance and policies, the military operation successfully came to an end within a short span with minimum casualties.

All the 30 main camps and 35 training centres under Samdrup Jongkhar, Sarpang, Zhemgang and Samtse Dzongkhags were dismantled without any trace of people in the camps. About 841 different arms, 144,000 ammunitions, canons, anti-aircraft guns and missiles were recovered from the camps.

A total of 485 militants were apprehended and handed over to the Indian Army along with their weapons. Women, children and women militants were surrendered to their respective civil authorities. As per the command of His Majesty the King, the militants apprehended by the Bhutanese army were treated well during their detention.

Although the Bhutanese armed forces suffered minimum causality, 11 soldiers lost their lives and 35 were wounded. The operation was successful due to blessings of the Guardian Deities, His Majesty's benevolent leadership and the capability of the Royal Bhutan Armed Forces.

The Bhutanese armed forces later searched the camps of the militants and found out that the militants had indeed planned to stay for a long time. Considering the increase in their strength and stockpiling of increased numbers of new arms and ammunitions, it revealed that if the military operation was delayed by few years, the security of our nation would have been at great risk.

During the military operation, the Government and the people of India extended their support in terms of manpower and material resources. The Indian Army also provided essential services to the Bhutanese army. The assistance provided by the Government and people of India in times of our need had further strengthened the close friendship that existed between the two countries. The officials of the Indian Government have expressed their appreciation and commended His Majesty the King and the armed forces for the swift military action and removing the militants from our soil. Although Bhutan possessed small armed forces, the outcome of the operation in such a short time was remarkable. The military action of the Royal Government not only secured the security of the nation but also helped in stabilising the security of India as well. The Government of India also expressed their deep gratitude to the Royal Government, dispelling all doubts between the two countries. It was the wish of His Majesty the King to uphold the cordial relationship with India and close cooperation between the two countries was possible even under such difficult circumstances, which was respected and appreciated by the international communities.

Similarly, the world today was confronting threats from the militant groups propagating terrorist activities. Although Bhutan had experienced the presence of militants engaging in terrorist activities, these people were successfully removed from the country. The action taken by the government had been well received and applauded by many countries as well as in parliaments and newspapers.

Although the operation against the militants was successful, there was little rejoicing in the country. All the people were aware that His Majesty the King had wished to solve this problem peacefully. However, military action had to be taken as the country was left with no other

choice. The Royal Government had delayed to take military action with the hope that the militants would leave our country peacefully and the concern of His Majesty the King for the peace and tranquillity of the State of Assam.

Some of the members submitted that the Royal Court of Justice should punish the associates of the militants posing a serious threat to the security of the nation as per the National Security Act, 1992. While the criminals were under trial, the judges should take into view the event of December 15, 2003 when His Majesty the King personally visited the security-affected areas at the risk to his own life to resolve the problem and the deep concern felt by the Bhutanese people. The judges should also bear in mind that 11 soldiers had lost their lives and 35 were wounded during the military operation, while passing their judgment.

Under the benevolent guidance of His Majesty the King, when the Bhutanese people were enjoying peace and tranquillity like the saying, “drink clear water from the mountains and live under the clear sky”, some ungrateful people extended help to the militants by taking bribes. These people who had bartered the country’s security should undergo severe punishment and those civil servants should be terminated from their jobs barring them from participating in any political affairs in the future.

Some of the members submitted that the Court of Justice should punish the culprits without any clemency in the interests of the nation’s security. Although this problem was resolved, it was necessary to set positive examples by meting out appropriate punishment to the culprits based on the National Security Act, to prevent the repetition of such acts in future. Having deep concern for the welfare of the people, His

Majesty the King had banned the capital punishment in the country. Therefore, this provision should be excluded from the National Security Act.

Some of the representatives said that once the Royal Court of Justice declared its verdict on the criminals after the trial was completed, the Royal Advisory Council was responsible for assessing the extent of punishment as per the National Security Act. Although the responsibilities of the Advisory Councillors were enshrined in Chapter 4, section 1-7 of the Royal Advisory Council Act, no report had been submitted on its determination in the National Assembly till now. As the councillors were elected by the people with their trust and confidence, it was imperative that they should carry out their responsibilities as per the Chathrim and report to the Assembly whenever they were confronted with any difficulties in carrying out their responsibilities.

Moreover, petty crimes like thefts were being published in Kuensel and broadcasted over BBS. It was important for the members and the people to know the identity of the culprits and the degree of punishment meted out to the people involved in such treasonable acts. Therefore, it would be better to circulate the names of the 144 people involved in criminal activities and the 22 who had been sentenced as reported in the Kuensel.

Some of the members said that even during the closed-door session held in the 81<sup>st</sup> Session, some of the members and the government representatives could not fulfil the aspirations of His Majesty the King. As the members left the Assembly Hall, His Majesty was left alone on the Golden Throne. Since the security of the nation was very important, it was imperative to deliberate unanimously on this issue.

The release of the names and the identity of the criminals would discourage the people from actively involving in undesirable activities in violation of the policy of the Royal Government. While disseminating the resolutions of the National Assembly to the people, the information on just the number of people on trial was not enough as it might even create other doubts among the people. However, in case there were any administrative problems, the Royal Advisory Councillors should inform the people on the discussion held in the Lhengye Zhungtshog concerning the security problem.

The Zhung Kalyon and the Royal Advisory Councillors informed the Assembly that even though they dealt with the three branches of the government, it was not mandatory for them to participate in the deliberations of the Council of Ministers. However, being the members of the Cabinet, they participated in its monthly meetings. The main responsibility of the Royal Advisory Councillors was to discuss and review the Acts, Rules and Regulations and international Conventions for submission to the National Assembly. Any issues not convenient to the government and the people were discussed in frank and open manner in the Lhengye Zhungtshog.

The Lhengye Zhungtshog had formed a special committee comprising of members from the council of ministers and the councillors under the wise guidance of His Majesty the King to look into the problem of the militants in the country. From the day the militants entered into our country and became operative until their removal from the country, the Royal Advisory Councillors have been continuously serving as per the command of His Majesty the King and the resolutions of the National Assembly.



The Royal Advisory Councillors also thoroughly reviewed and deliberated on the boundary documents which were directed to the Lhengye Zhungtshog by His Majesty the King. After the deliberation, it was submitted to His Majesty the King with necessary recommendations. Since the documents did not infringe the interests of the people, it was not felt necessary to submit it to the National Assembly.

Under the command of His Majesty the King, the Royal Advisory Councillors also adjudicated the appealed cases. Therefore, unless commanded by His Majesty the King, the Royal Advisory Council had no mandate to directly interfere in the functioning of the Royal Court of Justice.

The councillors relate with the legislative branch by drafting and reviewing the legislations and had participated in the drafting of the Constitution. The late King established the Royal Advisory Council in 1965 to act as an advisory and consultancy body to the hereditary Kings of the country. However, in line with the devolution of executive power to the elected council of ministers from the Golden Throne in 1998, the responsibilities of the Royal Advisory Councillors also decreased. As a result, the councillors did not participate in all the tasks of the Lhengye Zhungtshog.

It was also informed that the Royal Court of Justice was functioning and conducting the cases of the associates and accomplices of the militants as per the National Security Act and the laws of the country. It was inappropriate for the councillors to get involved in the functioning of the Royal Court of Justice.

The Prime Minister said that if the resolutions of the National Assembly were not implemented, the deliberations of the National Assembly would be redundant. Therefore, it was the responsibility of the Royal Advisory Councillors to ensure that these criminals were awarded severe punishment.

The investigation on the people who extended their help to the militants was still being carried out. In the recent past, the number of people who actively collaborated with the militants was about 144 but today the number has increased to 145 people. These included 8 government employees, 4 from the national work force (road workers), 3 private workers, 36 businessmen and 94 farmers (including 7 drivers). Out of a total of 145 suspected accomplices and associates being tried by the courts, 22 suspects were already sentenced and the rest were undergoing trial.

Similarly, the Royal Court of Justice had passed the verdict on the trial according to the National Security Act and the laws of the land. Such issues should be published in Kuensel and other media to disseminate the information to the people.

The National Assembly concluded that the Assembly had not only deliberated but the Royal Government had also clarified the doubts of the people. The Prime Minister had provided information on the number of suspects, and verdict of the court would be published in the newspaper and other media for the information of the people. The National Assembly resolved that the people who had associated with the militants currently undergoing trial should be punished according to the National Security Act and the laws of the land. The discussion on the

punishment of people who extended their help to the ULFA, NDFB and the KLO concluded on July 9, 2004.

## IX. PERSONAL INCOME TAX

The people of Trashigang, Sarpang and Trongsa submitted that after the discussion on the Personal Income Tax (PIT) at length during the 81<sup>st</sup> session, it was decided that a committee comprising of members from the Ministry of Finance, Department of Revenue and Customs and the National Assembly would be formed to study and to come up with a proposal for tax payment to be submitted in the 82<sup>nd</sup> session of the Assembly. However, to realize the government's policy of self-reliance, the personal income tax should be levied as per the existing Income Tax Act of the Kingdom of Bhutan passed in the 79<sup>th</sup> session of the National Assembly.

Some of the members submitted that the socio-economic development of the country depended on the revenue of the country. Moreover, in view of closing the gap between the rich and the poor and considering the vision of self-reliance, the PIT should be retained as before. In order to realise the policy of self-reliance and Gross National Happiness, we must rely on the internal revenue generation of the country. Therefore, there was no need to revise the Personal Income Tax, 2001.

During the deliberation, the Finance Minister said that with the socio-economic development of the country, Bhutanese people had been able to carry out lucrative jobs for earning substantial income. Even then, like in any other countries, there were many dependent people in our country. The most important policy of the government was to reduce the gap between the poor and the rich by maintaining equitable distribution

of wealth in the society. Furthermore, with the increase in developmental activities every year, more resources were required. Hence, the Royal Government had to amend and revise the existing tax structure geared towards attaining the policy of self-reliance in the country. As compared to other countries, the income tax paid by the Bhutanese people was very negligible.

The income of Nu. 100,000 exempted from taxation did not burden the low-income earning people. The benefit and the detriment of the change in tax slabs were clearly explained in the National Assembly. However, if the PIT rates were revised according to the proposed new rates, the total revenue generation would fall by Nu. 31.748 million which was about 40 percent.

Similarly, out of the total government revenue, the domestic revenue of the country covered about 40 percent of the financial requirement with 60 percent loans and grants from outside. The nation was facing a huge budget deficit of Nu. 891 million in the new financial year. It was important that the members dealt carefully on this issue. Although the poor people were not taxed, if the rich people agreed to pay tax with dignity based on their income, there was no need to depend heavily on outside donor countries. It would also help in upholding the sovereignty and security of the nation. In the past two financial years, the government had generated a revenue of Nu 100 million, which enabled the completion of numerous developmental activities in the geogs and Dzongkhags.

Furthermore, everyone was aware that our country had only one source of revenue generation. Any setback on this source would pose inconveniences and affect the income generation. Therefore, in order to

support the developmental activities continuously with the flow of funds and strengthen the revenue base, the National Assembly should resolve to retain the existing PIT ceilings without any amendment.

While deliberating on the benefits of the existing and the revised PIT ceilings and the need to reduce the gap between the rich and the poor, several members said that maintaining the present PIT structure was imperative for the country to become self-reliant without having to depend on external aid.

Intervening in the deliberation, some of the members submitted that one of the objectives of the Ninth plan was to provide employment to about 50,000 youths. If this policy were to be achieved, the assistance of some of the private sector entrepreneurs was essential. The obligation to pay PIT should not be immediately and inappropriately applied. Otherwise, it would be like carrying a load heavier than one can bear. The PIT structure submitted by the committee comprising of the representatives of the Ministry of Finance, the Department of Revenue and Customs and the National Assembly as per the decision of the 81<sup>st</sup> session should be considered. This structure was reasonable as it was suitable for all sections of the society. If this structure was not endorsed, the decisions being passed by the National Assembly would be construed useless and redundant.

| Slab No. | Net Taxable income          | Tax Rate              |
|----------|-----------------------------|-----------------------|
| 1        | Up to Nu 100,000            | Nil (Basic exemption) |
| 2        | Nu. 100,001 to Nu 250,000   | 6%                    |
| 3        | Nu. 250,001 to Nu 500, 000  | 9%                    |
| 4        | Nu. 500,001 to NU. 1,000,00 | 12%                   |

5                    NU. 1,000,001 and above                    15%

As decided in the 81<sup>st</sup> session of the National Assembly, the committee submitted a revised tax structure. Since the tax structure submitted by the committee was suitable for all sections of the society, the National Assembly decided that the revised tax structure would be implemented with effect from 2004. The deliberation on the Personal Income Tax concluded on July 9, 2004.

*Tax on Foreign Allowances*

The Finance Minister reported that many setbacks had occurred during the implementation of the Personal Income Tax Act, 2001. While leave encashment, leave travel concessions, travel and daily allowances were exempted from tax, foreign allowances and representational grants for civil servants working in Bhutanese embassies and missions abroad were liable for income tax. A joint representation was submitted by the civil servants working in Bhutanese embassies abroad to the Ministry of Finance through the Foreign Ministry. They said that levying of tax on foreign allowance would be contrary to the existing practice of tax exemption on foreign allowances in other countries. Thus, taxation on foreign and representational grants would contradict the existing practice.

Although the Ministry of Finance did not had the authority, the case was carefully examined by the Ministry. The Ministry of Finance had no alternatives than to submit the issue to the National Assembly. While Chapter 3, section 5.1 of the Income Tax Act included all types of monetary income and related income earned from working, income earned from travel and daily allowance and leave allowance was not

included. The exemption of tax on foreign allowance for officials working in Bhutanese embassies and missions abroad should also be incorporated in the Act. Since the civil servants working in foreign countries had not paid tax for the last two years, the expenditure allowance should be exempted from taxation from the day the Act was endorsed.

Supporting the deliberation, the Minister for Foreign Affairs said that after the introduction of the personal income tax in our country, it was found inappropriate to levy tax on foreign allowance for the civil servants working in Bhutanese embassies and missions abroad. Moreover, the government had classified the contributing factors according to the income and rank and the existing allowances have been reduced. While serving in Bhutanese embassies and missions abroad, the officials were required to adhere to the living standard of that country. Therefore, if the foreign allowance was included in the personal income tax bracket, it would hamper their work and productivity. Further, they were vested with important responsibilities to carry out diplomatic relations and programmes with foreign countries, solve any problem that arose and maintain cordial relations with all countries. Justification was submitted on the basis that there was no example of levying tax on foreign allowances in other countries as well as in the SAARC region. Hence, if our country levied tax on foreign allowance, it would be in contravention to the international practice. Therefore, the foreign allowance should be exempted from taxation.

Similarly, the Prime Minister along with the Minister for Agriculture, the Minister for Labour and Human Resources and the Deputy Minister for National Environment Commission enumerated their experiences and hardships that they faced during their posting in embassies abroad.

Since 1990, when the country was facing problem, diplomatic relations with freindly countries had to be maintained with utmost caution to resolve any problem. The civil servants working in the embassies had participated and worked very hard to achieve the national goals. While it was impertative to maintain and strengthen relationships with outside countries in the future, the National Assembly should deeply consider this issue and decide not to levy tax on foreign allowance from the day the Personal Income Tax was first implemented.

In response, many representatives of the Assembly submitted that civil servants working in embassies abroad had taken up their responsibilities befitting their rank and status sparing no efforts to maintain and develop friendly relations with other countries. Therefore, it was appropriate to exempt tax on foreign allowance from the day the personal income tax was introduced in the country.

Concluding the deliberation, the National Assembly decided that as submitted by the Finance Minister and the Minister for Foreign Affairs, civil servants working in Bhutanese embassies abroad had always worked towards improving diplomatic ties with other countries. They were vested with the responsibility to solve the problems that would arise and face the challenges ahead and carry out many other important responsibilities. Moreover, since there was no practice of levying tax on foreign allowance in other countries, it would not be in line with the standard practice. Many of the members agreed that taxation on foreign allowance and representational grant should be exempted. The National Assembly decided that tax on foreign allowance and representational grants would be waived off with effect from 2001. The deliberation on exemption of taxation on foreign allowance concluded on July 9, 2004.



X. PRESENTATION ON THE POPULATION AND HOUSING CENSUS TO BE CONDUCTED IN 2005

The Ministry of Home and Cultural Affairs submitted that the enumeration of census had originated in Bhutan during the times of Zhabdrung through the 13<sup>th</sup> Desi Chogyel Sherub Wangchuk. Generally, the census was not only conducted for the purpose of taxation and labour contribution but also for conscription of militia force to safeguard the country against military attacks from India and Tibet.

Among the problems that had emerged in the country in the early 1980s was the rapid increase of people consisting of different nationalities. Therefore, the Royal Government had ordered detailed verification of the bonafide Bhutanese citizens according to the Citizenship Act and the foreigners who had illegally migrated into the country.

It was reported that census in the five southern Dzongkhags including Phuentsholing Dungkha were conducted from 1990 to 1993. The census registration in the country was conducted as per the Citizenship Act and was completed between 1999 and 2003.

The census registration exercise in the country was successful. However, His Majesty the King commanded to conduct a nation-wide census registration to ascertain correct census which would assist in formulating the socio-economic development plans and policies.

When Bhutan became the member of the United Nations, the population was reported as 1.2 million. However, today the population was not even a million. Therefore, if there were unreliable census figures in the country, it would also be inconvenient to the donor countries.

His Majesty the King, considering the importance of census, commanded for conducting a comprehensive population census. Accordingly, the Department of Registration under the Ministry of Home and Cultural Affairs had planned to commence census exercise from October 2003.

Prior to the commencement of census, the Department of Census, Government of India, the Regional Office of UNFPA based in India and some other countries were consulted. It was important to conduct census and register all the households through scientific methods complying with international practices. As per the commitment, a request for USD 2 million had been submitted to UNFPA for census enumeration programme in the country.

As per international norms and the Bhutanese Citizenship Act, the census registration of not only the bonafide Bhutanese but also all the people residing in the country must be completed in one day. Irrespective of the nationalities, the contribution of everyone working in the country using the available resources had to be accounted. Free medical and other services were provided to all Bhutanese and non-Bhutanese alike during the times of need.

However, the issue of conducting a comprehensive census once in every 5 to 10 years as per the international practice remained undecided. Bhutan was a small country and due to its geographical landscapes, it was difficult to carry out such exercise in the past. It was hoped that the population census would be conducted in two days in May next year. Since all the people would be required to remain in their respective

homes, permission for a two-day holiday on account of the population census would be sought from the National Assembly.

Similarly, the Council of Ministers had formed National Census Committee and sub-committees. Due to the enormous workload, a civil servant had also been appointed as the Census Commissioner.

Like the established procedures in other countries, school teachers, health personnel and college students would be employed with the support of the representatives of the people under the supervision of the Dzongdags to complete the census within two days as per the practice adopted without having to recruit additional employees. The need and the system of conducting the population census are summarized below:

1. Seeking approval to conduct Housing and Population Census in May next year.
2. Seeking approval to grant two days National Census holiday.
3. Approval from the National Assembly to brief the Hon'ble Members by the Ministry of Home & Cultural Affairs at an appropriate time.

It was also reported that the Ministry of Home and Cultural Affairs had briefed the DYT Chairmen and Dzongdags of all the 20 Dzongkhags on the census procedures. It was imperative for the members to extend support and cooperation during the census exercise. All the members were invited for an orientation programme in the Royal Banquet Hall on the next day. The deliberation on the population and housing census concluded on July 12, 2004.

## XI. REPORT ON THE STATE OF ENVIRONMENT

The Deputy Minister for National Environment Commission in his report on the state of environment highlighted the environmental impacts of socio-economic development in the country. The Royal Government had accorded high priority in conserving the natural environment. A 31-paged booklet containing a brief report on the state of environment was also distributed to the Assembly Members.

While the environment in the world as a whole was degrading, the report on the state of the world environment by the United Nations Environment Programme Office stated that 97.5 percent of the water constituted salt-water while the fresh water was only 2.5 percent. Due to lack of water, about 34,00,000 people were dying each year, affecting about 40 acres of forest. Therefore, it was possible that the world would be at war due to water shortage in the future. There was also immense atmospheric problem.

More than 72 percent of the country was under forest cover, where 35 percent were under parks. While environmental conservation was one of the four pillars of GNH, the environmental conservation initiatives were in line with His Majesty's vision of achieving Gross National Happiness and upholding the principles of sustainable development. It was crucial to maintain and conserve sustainable forest resources through proper implementation of policies and legal frameworks. The main policy document for environmental conservation for Bhutan was the "The Middle Path". The objective was to minimize environmental impacts likely to result from developmental processes. Bhutan was a signatory to 10 multilateral environmental agreements.

The National Environment Commission conducted trainings and organized several workshops for the members of the Dzongkhag Yargay Tshogdus and Geog Yargay Tshogchungs on the implementation of the Environment Assessment Act, 2000 and other related issues. The Commission had also secured external assistance to institute Dzongkhag Environmental Committee in each of the 20 Dzongkhags to expedite the issuance of environmental clearance certificates.

For the implementation of micro environmental action plans in the respective geogs, budget of Nu. 200,000 have been earmarked for each Dzongkhag. The substantive implementation of environmental policies, plans and laws in the country had been appreciated and commended by tourists visiting our country. An American tourist, Madam Nancy Abraham, had committed to donate Nu. 500,000 every year for the “Cleanest Dzongkhag Award”.

Bhutan continued to enjoy relatively better air quality. However, in order to avoid pollution arising from land, water and air, the Environment Commission had conducted a test and found out that the main source of air pollution was 17 percent increase in vehicles in 2003, industries, mining projects and other developmental activities.

The Royal Government had started importing unleaded petrol and ultra low-sulphur diesel from India in 2000. Smoke reduction machines were being installed in industries achieving effective results.

Likewise, Bhutan had not only been actively participating in many international conference on water pollution, but a Bhutan Water Partnership was also established in the country in 2001. Water policy, water vision and draft Water Act had been formulated as per the

decision of the World Water Partnership. While monitoring the water quality in the rivers and streams in Bhutan since 2003, it was found that the water quality was pH 7.5, which was in conformity with the standard set by the World Health Organization. However, the water quality in some of the rivers had been affected due to garbage disposal from the urban centres.

As resolved in the past sessions, a minimum of 60 percent forest cover should be maintained at all times but only about 7 percent was suitable for farming purpose. The existing 72 percent of forest cover had undergone drastic changes in the past few years due to increasing population, urban centre expansion and road construction, which had consumed more than 24,508 acres of land.

It was important for the Royal Government to tackle the problems of water, land and air pollution that had emerged due to rapid development taking place in the country to meet the challenges of conserving natural environment in light of its benefits and detriments in future.

Some of the members expressed their appreciation to the Royal Government for the environment conservation efforts. It was necessary to maintain balanced approach between development and environmental conservation and impart relevant trainings to the people on a regular basis.

Likewise, some of the representatives sought clarification on the authority of the Dzongkhag Environment Committee to issue environment clearance certificate. The members also raised questions on fixing the responsibility to monitor the lack of proper sanitation caused by plastic and garbage. Moreover, since the construction industry was one of the highest sectors affecting the forest, the Department of Forest

should carryout a detailed study. The members also sought clarification on the benefits and detriments of allocating budget of Nu. 200,000 for each of the 20 Dzongkhags and whether cattle in the rural areas would have environmental impact.

The Deputy Minister for National Environment Commission said that the allocation of Nu.200,000 budget to each Dzongkhag had been granted as assistance on a trial basis for the people to implement micro environmental projects in their respective geogs as per their needs. Despite the Royal Government's restriction on garbage littering and plastic use, some problems was being confronted in the effective implementation of this decision due to buying and selling of these products in towns. Henceforth, it was imperative for both the government and the people to work in close cooperation to ban the use of plastic and avoid littering. As the waste disposal site at Memelakha was full, there was the problem of proper waste disposal. Therefore, it would be of immense benefit in conserving environment if the recycling machine could be used.

Although it was imperative to empower the Environment Committees in the Dzongkhags with the authority to issue the environmental clearance certificate, this responsibility was yet to be mandated to them as they lacked trained and certified committee members in carrying out the environment impact assessment. It was reported that arrangements were being made to secure about Nu. 45,00,000 from other countries to provide necessary training for the members. It was hoped that the members would be able to avail either in-country or ex-country training and study tour opportunities through the annual contribution of Nu. 500,000 by Madam Nancy Abraham.

The Zhung Kalyon and some of the members submitted that the Department of Forest should be conscious and make efforts to use modern equipment to prevent damage to the forest. The road construction was being carried out as per the road policy wherein environmental aspects were adequately addressed through continued research. The utilisation of environmental friendly machineries and equipment has doubly reduced the expenditure despite having to incur more than 30 percent additional expenditure.

Since Bhutan was able to maintain its pristine environment, we are able to secure timely assistance from other countries. The House commended the National Environment Commission for carrying out effective environment related works. The House also urged all the ministries and departments concerned to carryout developmental activities without affecting the environment. The use of appropriate machines and equipment would also enhance sanitation. Therefore, all the members should extend their support and co-operation in conserving the environment. The deliberation on the report on the state of environment concluded on July 12, 2004.

## XII. POLICY AND LEGISLATIONS FOR THE EMPLOYMENT OF EXPATRIATE WORKERS

The Minister, on behalf of the Ministry of Labour and Human Resources expressed his appreciation and gratitude to His Majesty the King for ensuring the present and future well-being of the country and the people. He also expressed his gratitude to His Holiness the Je Khenpo and the religious community for conducting the Kurim for the security of the country and the three armed forces and the militia volunteers for safeguarding the security of the country.



The Minister for Labour and Human Resources informed the House that before the advent of developmental activities in the country, agriculture was the main occupation of the Bhutanese people. However, with the initiation of developmental activities with the changing times, the need to increase the labour force was apparent. Considering the small population, expatriate workers had to be employed without any other alternative as most of the Bhutanese were holding administrative and official responsibilities after completing their education and training. However, the Bhutanese people had constructed the Thimphu-Phuentsholing and Samdrup Jongkhar-Trashigang highways as well as the construction of Tashichhodzong.

All developmental activities should reach to every part of the country. However, with the increase in activities at the Tala Hydropower Project and other places, the expatriate workers were increased as per the requirement of the expertise, skilled workers and the resources. The ceiling to import expatriate workers was 30,000 in 1994. However, this ceiling was increased to 45,000 in 2000 mainly to meet the workforce requirement of the hydropower projects in the country which also included the workers with Project DANTAK without work permit.

Out of a total of 32,350 expatriate workers with work permit in 2004, 12,000 were working in Tala, Basochu and Kurichu projects, 29,600 in the private sectors and only about 2,750 were working in the government and other agencies. If 3,000 expatriate working for Project DANTAK and 5,000 foreigners working without permits were accounted, the total expatriate workers would be around 40,000. These numbers did not include the day workers without permit in the border

areas, estimated to be about 10,000 during weekdays and up to 20,000 during market days.

As per the decision of the Lhengye Zhungtshog in June 2003, the management of the expatriate workers had been taken over by the Ministry of Labour and Human Resources in October, 2003. The main responsibility of the Ministry was to authorise the number and duration of employment of the foreign workers by various employers. However, the responsibility of maintaining records, issuing permit and monitoring was still the responsibility of the Department of Registration.

It was imperative to consider the policy of enhancing Bhutan's economic-development, future security of the country and employment opportunities for Bhutanese youth while deliberating on the expatriate labour. The economic growth of 6-8 percent per annum must be maintained if employment opportunities were to be created. Moreover, achieving development goals would not be possible without employing the foreign workforce.

The members should bear in mind that the increase in foreign workers by 1,13,000 in 1987 had resulted in the Ngolop uprising in the south. Today, even if the day workers at the border areas were accounted, the total number would be around 60,000 only. This constituted around 10 percent of our total population and 20 percent of the labour force, which was high by any standard of the world. Moreover, as per the command of His Majesty the King in 1996, employment opportunities should be provided to every educated Bhutanese along with economic development. The Royal Government was making concerted efforts to provide employment opportunities to the youths. Out of a total of 15,000 employees in the civil service, most of them were Bhutanese. About

50,000 youths with different academic backgrounds would be seeking employment in the Ninth plan, out of which most of them would seek jobs in the private sectors. Therefore, vocational training should be provided to the youths as per the requirement of the private sectors.

The Ministry of Labour and Human Resources was formulating and implementing the required plans as per the resolutions of the National Assembly. If the trade, industry and commerce sectors and the government agencies were not developed, employment opportunities would be limited. Therefore, it would be difficult to solve the problem of youth unemployment.

The private sector would find it difficult to complete their works on time without the expatriate workers and the number of workers for private building construction was increased according to the requirement. However, the Ministry would work in accordance with the 10-point approach formulated in line with the policy to reduce the expatriate workers. Another measure included was the charging of fees for the extension of work permit for the expatriate workers when the works were not completed on time. The Ministry would continue emphasizing on the mechanisation of work and production systems, improve working conditions, enhance job security, encourage adequate remuneration in the private sector and introduce a system of registration for all day workers in the border areas.

A Labour and Employment Act which was circulated among the ministries and private sectors for their views and comments would be submitted in the next session of the Assembly. The issues reported in the Assembly would be adequately addressed in the Bill.

In 2003, 384 students graduated from college, 2,863 youths completed their class 12 and 5,260 students completed their class 10 studies. Out of which, a total of 7,581 students had the opportunity to pursue further studies in the colleges. Some of them were employed and provided training opportunities, while some of them were waiting for employment and training.

The unemployment rate in the country had increased from 1.9 percent in 2001 to an alarming rate of 2.75 percent in 2003. Therefore, the Ministry of Education and the Ministry of Labour and Human Resources had produced two brochures on career counselling and employment. While one of the brochures would be distributed in the lower secondary schools, the other brochure would be circulated among the training institutes, which would be implemented after providing career counselling. Moreover, training facilities would be enhanced to attract the youths for vocational training.

Out of a budget of Nu. 3,000 million earmarked by the government for the Human Resource Development in the Ninth plan, 50 percent was allocated for the private sector and corporations. However, this could not be materialised due to budget constraints and plans were not finalised as well. 160 employees were trained from the private sector and corporations in two years. Moreover, arrangements would be made to train more people in the future.

Programme on job opportunities would be made available on the website from July 2004. Since 2002, the Ministry of Labour and Human Resources had signed Memorandum of Understanding with 78 private sector companies and enterprises and created about 3,000 jobs. Although

both male and female would be provided with equal job opportunities, it would be difficult to provide the same job to both the sexes in the future.

607 trainees were admitted in 2003 and 700 in 2004 in the six vocational training institutes established in the country for creating employment opportunities for the youths. About 8,000 youths had participated during the second Annual Job Fair.

The Minister informed the House that the militia volunteers were provided employment as per the directives of the Royal Government. The foreigners marrying Bhutanese were allowed to reside in Bhutan as per the Citizenship Act. However, as they did not possess Bhutanese census, they were not entitled for employment and trade licence. As the Ministry of Labour and Human Resources was vested with the responsibility of providing employment opportunities to the Bhutanese, it would continue to strive in the coordination of creating employment opportunities.

Some of the members submitted their doubts that the Ministry of Labour and Human Resources was likely to continue the policy of employing foreign workers in the country. Moreover, if the employment opportunities were provided to the foreigners, the sovereignty and security of the nation would be put at risk in the future. As submitted in the past sessions of the Assembly, the government should identify industrial sites and establish industrial infrastructure and facilities to encourage the youths to take up jobs in the private sector companies. The duration of the work permit was increased as per the new policy and legislation. However, as the policy would be implemented for the first time, the viability of the policy should be scrutinized.

Some of the members said that the presence of many unaccounted road workers with Project DANTAK would cause inconvenience in the future. Moreover, the fund allocated to provide training and studies for the human resource development in private sectors during the Ninth plan could not be materialised. Therefore, if achievement could be made as per the plans, it would benefit in providing employment opportunities to the youths after their studies.

Some of the members said that the higher echelons of the society were employing expatriate helpers illegally and 5,000 foreigners were living in the country without valid documents. The members wanted to know if investigation was carried out on the report of acquiring fake marriage certificates by some of the foreigners in collusion with some Bhutanese people to validate their stay in the country. Moreover, the lack of proper basic infrastructure deterred the youths from opting for jobs in the private sector companies. The government should support the private sector to provide employment opportunities to the youths by enhancing the job security and perks so that the youths would not differentiate between the employment opportunities in the government and the private sector. These issues should be incorporated in the new Act which was being drafted. The problem of unemployment had also arisen due to mismatch between the qualification and the job.

The Minister for Home and Cultural Affairs informed the House that most of the 5,000 foreigners living in the country without valid permits had already left the country. The Ministry of Home and Cultural Affairs had conducted a thorough study between June 2003 and May 2004 and had arrived at the following results:

1. About 1,144 illegal foreigners were found working on roads, construction sites, and other jobs
2. 56 house-keepers
3. 9 baby sitters
4. 367 expatriate with other profession than the approved work permit
5. 1,581 foreigners without valid permits
6. A total of 1214 people were deported from Bhutan

As these people were engaged in activities in violation of the laws, they were imposed penalties and a fine of about Nu. 2,182,500 had been collected and deposited in the government account. The Department of Registration was making necessary arrangements to frame stringent rules to reduce the expatriate workforce. Furthermore, the lack of legal authorisation deterred the checking of residential houses for illegal workers. The Act drafted by the Ministry of Labour and Human Resources to tackle this problem would be submitted in the next Session of the Assembly. In the meanwhile, the Ministry of Home and Cultural Affairs would also draft an Act governing permit to the foreigners and it was hoped to be submitted in the next Session of the Assembly.

The people working for Project DANTAK would also cause inconvenience in the future. While the Royal Government was in the process of adopting measures to check the foreigners from entering the country without permission, a system would be developed to allow only the employees to work in the government, private and foreign agencies without their families. Moreover, thorough investigation would also be carried out on the foreigners wanting to continue their stay in the country.

The Bumthang Dzongdag said that the security of the country was at stake with the Ngolop uprising in the south when 123,000 people entered and stayed in the country before 1987. If the legislation and policy drafted by the Ministry of Labour and Human Resources was endorsed soon, it would have immense benefit to the implementing agencies.

Responding to the deliberation, the Minister for Labour and Human Resources said that although it was reported in the past Assembly Session about the allocation of budget for the human resource development in the Ninth plan, the fund was not readily available. Therefore, substantive results could not be achieved till now. However, discussion was being held with the Department of Planning on the training needs both within and outside the country. Furthermore, achievement of the human resource objectives of the plan was accorded high priority and the fund allocated for the human resource development of the civil service commission would be shared before the finalisation of external aid.

The Bhutanese youths seeking employment preferred government jobs as the job environment, training opportunities and benefits were better in the government. Moreover, the private sectors did not provide provident fund and pension scheme like in the civil service. The Ministry of Labour and Human Resource would gradually enhance the job environment and other benefits to make the private sector attractive.

The Speaker commended the Royal Government for maintaining the number of expatriate workers below the ceiling of 45,000. As per the deliberation in the past sessions, out of 5,000 illegal expatriate living without permits, 1,581 were staying without proper documents and



1,214 were deported from the country. Moreover, fine of Nu. 2,182,500 was imposed on the illegal expatriates.

The Ministry of Labour and Human Resources and the Department of Registration should draft the legislation to check the presence of illegal expatriates in the country for submission in the next Session of the Assembly. The people working with project DANTAK should also be governed by the policy and legislation on foreign workers. Moreover, the family members of the foreign workers should not be allowed to stay in the country. The training included in the Ninth plan could not be materialized due to lack of fund. However, the Ministry of Home and Cultural Affairs and the Ministry of Labour and Human Resources were directed to take appropriate measures to encourage the youths to take up employment in the private sectors. The two ministers were directed to investigate the private residential houses for the presence of illegal foreign workers.

The National Assembly noted that the Ministry of Home and Cultural Affairs and the Ministry of Labour and Human Resources had been striving to provide employment opportunities to the Bhutanese youths both in the government and private sectors. It was resolved that efforts should be continued to employ more Bhutanese and less foreign workers in the government as well as private sectors to solve unemployment problem as per the policy of the Royal Government and the resolutions of the National Assembly. The deliberation on Policy and Legislations for the Employment of Foreign Workers concluded on 12 July, 2004.

XIII. 2004 MANUAL FOR THE IMPLEMENTATION OF DYT AND GYT CHATHRIM, 2002

The Minister for Home and Cultural Affairs reported that despite the enactment of the DYT and GYT Chathrim as per the decentralization policy initiated by His Majesty the King, operational inconvenience were encountered during the implementation of the Chathrim. As a result, the Rules of Procedure was drafted by the Ministry of Home and Cultural Affairs and was submitted to the Lhengye Zhungtshog after a discussion with the officials and community leaders of the 20 Dzongkhags.

The Ministry of Home and Cultural Affairs drafted the Rules of Procedure for each of the Chathrim and circulated to all the Dzongkhags. The Chairmen of the DYT and GYT were directed to discuss and submit any comments for amendment to the Home Ministry. The changes were included in the agenda of the Annual Conference of the DYT and GYT Chairmen conducted from 15 to 24 June 2004. The DYT and GYT Chairmen and the representatives of the ministries and departments deliberated on the provisions of the Rules of Procedure and clarified the practical inconvenience in line with the policy of decentralization initiated by His Majesty the King.

The operational inconveniences encountered during the implementation of the Acts were due to the drastic reformation in the administrative policy at the Dzongkhag and the Geog level. While the DYT were responsible for the formulation of Dzongkhag policy, plans and finalisation of budget, the Dzongkhag Administration was accountable for reviewing and assessing the work. The Dzongkhag Administration was also responsible for guiding and implementing the activities as per

the plan and the budget decided by the DYT. These issues were clearly included in the Rules of Procedure and as such there should not be any inconvenience in the implementation of the two Chathrims.

The Rules of Procedure finalised during the Annual Conference of the DYT and GYT Chairmen had been submitted to the Lhengye Zhungtshog as per the resolution of the past Assembly Session, which would be endorsed soon.

Some of the members said that with the decentralization policy initiated by His Majesty the King, the checks and balance in the Dzongkhags had been further strengthened. Although there were no inconveniences, the checks and balance mechanism would be further enhanced provided the gups were appointed by the government and the chairmen elected from among the members. Therefore, the members desired to know whether this issue was covered in the Rules of Procedure.

Some of the members said that it would be convenient to execute the DYT and GYT Chathrims, 2002 from the day the Rules of Procedure was implemented, immensely benefiting the community leaders. The National Assembly should amend the Chathrims for the ultimate interest of the educated youths in the future to realise the aspirations of the people.

Despite awareness on the operational inconvenience faced by the geogs due to inadequate delineation of administrative and policy responsibilities in the geogs, the agenda had not been submitted to amend the GYT Chathrim. However, with the enactment of the constitution in a few years time and the amendment of the respective Chathrims, the assumption of GYT Chairmanship by the Gup would be automatically discontinued.

Some of the members said that it was included in the Rules of Procedure of the GYT Chathrim that geog extension agents and the Chimis of the respective constituencies should participate in the deliberation on issues related to National Assembly and other pertinent issues during the community meetings. Therefore, it entirely depended on the Chimis themselves whether or not to maintain checks and balance.

Since the Lhengye Zhungtshog would endorse the Rules of Procedure as per the resolution of the 81<sup>st</sup> Session, it was not necessary to distribute the draft in the Assembly. If there were practical problems during the implementation, it would be amended during the 83<sup>rd</sup> or 84<sup>th</sup> Session of the Assembly.

In response, the Minister for Home and Cultural Affairs informed the House that the Gups had to carryout administrative responsibilities and assume the Chairmanship of the GYT in the Geog system. Although there were no major inconveniences at present, enormous problem would arise in the future. However, the Rules of Procedure would facilitate the practical implementation of the GYT and DYT Chathrim as per the resolutions of the 81<sup>st</sup> Session. Moreover, the National Assembly had the mandate to amend the Chathrim.

As the Rules of Procedure had been finalised by 201 Gups and the 20 DYT Chairmen of the country, there would not be any operational inconvenience and the Lhengye Zhungtshog would also endorse the procedure.

As the amendment of the Chathrim was not included in the agenda and the draft Rules of Procedure for the implementation of GYT and DYT

Chathrim was also not submitted, it was not possible to amend the Chathrim in the 82<sup>nd</sup> Session. The Ministry of Home and Cultural Affairs would submit the proposal for amendments, if required, as per its responsibilities after two years.

The Speaker reminded the House that the Rules of Procedure was deliberated as per the resolutions of the 81<sup>st</sup> Session. Since this was not in the agenda, the deliberation should be in line with the report on the Rules of Procedure. The deliberation should be aimed at lessening the risks of the GYT Chairmen and strengthening the checks and balance in the Geog system. Moreover, the deliberation should be based on the proper implementation of decentralization policy by the government.

As the Constitution was yet to be enacted, the government and the DYT should review the Rules of Procedure and submit in the 83<sup>rd</sup> Session. The Assembly should decide on the system of imposing penalty to those who did not attend the meetings in the villages from the 81<sup>st</sup> Session.

While the Acts had been implemented for only a year after the enactment in 2002, there were some operational inconveniences. Although it was important to deliberate the issue in the National Assembly, it would take longer time to discuss on the issue without arriving at a substantive decision.

Some of the members said that while the Rules of Procedure had been drafted, the copies were not distributed as a result of which, submission could not be made on the relevant points. The members sought clarification as to whether the Rules of Procedure would be distributed to the people after being submitted in the 83<sup>rd</sup> Session or after its endorsement by the Lhengye Zhungtshog.

The Speaker noted that the Ministry of Home and Cultural Affairs had drafted the Rules of Procedure governing the two Chathrim as per the resolution of the 81<sup>st</sup> Session. It was hoped that the workshop conducted for the Chairmen and Deputy Chairmen of the 20 DYT and 201 geogs would help in solving the operational inconvenience. The Chimis should submit an agenda to the National Assembly in case the GYT Chairmen faced operational inconvenience during the implementation of the Chathrim. Moreover, the National Assembly also had the mandate to amend the legislations. The National Assembly resolved that in case serious operational inconveniences were encountered during the implementation of the Chathrim in the geogs, the members should submit an agenda for deliberation in the 83<sup>rd</sup> Session. The deliberation on the 2004 Manual for the implementation of DYT and GYT Chathrim, 2002 concluded on 14 July, 2004.

#### XIV. MATTER REGARDING THE REGISTRATION OF RELIGIOUS ARTEFACTS OF PUBLIC AND PRIVATE CHOEKHANGS

The Minister for Home and Cultural Affairs informed the House that as per the circular issued by the Representative of His Majesty in the Ministry of Finance and the Home Minister in 1978, all the religious artefacts in Lhakhangs and Goendeys as well as the gold statues, thangkas and religious scriptures in private Choekhangs were to be registered. The registration of religious artefacts in the private Choekhangs had been completed in Trashigang, Monger, Lhuentse, Tashiyangtse, Pemagatshel, Bumthang and Trongsa Dzongkhags. The registration of tensus in the Lhakhangs and Goendeys had been completed while the religious artefacts in the private Choekhangs were yet to be registered in the western Dzongkhags.

However, plans and programmes had been drawn up for the registration of the artefacts in the Ninth Five Year Plan. As per the decision of the 80<sup>th</sup> session of the National Assembly, verification and registration committee comprising of representatives from the Department of Cultural Affairs, Dzongkhags, Rabdeys and the public was formed to verify and register the tensus. The Department of Cultural Affairs was continuing with the verification and registration of tensus in the private Choekhangs according to the directives of the committee.

While the religious artefacts had been verified in Punakha, Bumthang, Chukha and Lhuentse Dzongkhags in 2002, religious artefacts were being verified in Monger, Trongsa and Paro Dzongkhags in 2004. Any religious artefacts found missing from the public and private Choekhangs were being investigated by the Royal Bhutan Police and the case dealt by the Royal Court of Justice. Although the people of Punakha, Chukha and Paro Dzongkhags were notified on the registration of religious artefacts in private Choekhangs through the Dzongkhag Administration, most of the people of these three Dzongkhags failed to comply with the notification which had impeded the verification process. Therefore, an effective system of registering the tensus should be formulated to avoid problems during the registration of tensus in other Dzongkhags.

The purpose of registering the religious artefacts in private Choekhangs under the four categories were:

- i. As the priceless religious artefacts were the treasures of the country, whether they were with the private, public, or government Choekhangs, measures would be adopted to avoid loss of such priceless artefacts to other countries.

- ii. The artefacts in private Choekhangs would be registered in the government record along with a photograph.
- iii. In the event of loss of the religious artefacts in private Choekhangs, report should be submitted to the government.
- iv. Immediately upon receiving the report, the government would engage in searching for the lost artefact as per the record and replica of the tensum.

Bhutan had signed as a member of the UNESCO which would facilitate to recover the loss of important religious artefacts irrespective of where the item had reached. All the member nations of the UNO would also be able to assist us to trace the lost artefacts in case the artefacts were reflected in the tensum record.

Although the Royal Government had registered the religious artefacts in the private Choekhangs, the people had the rights over the artefacts. The private artefacts could either be inherited, offered to Lhakhangs and Goendeys, sold to people within the country and given away as gifts. However, the government should be accordingly informed on the change of ownership for necessary correction in the registration. All the new and antique religious items and the religious artefacts in Lhakhangs, Goendeys and Dratshangs were to be registered. However, nangtens, terma, antique statues, Phurpas, thangkas and scriptures in the private Choekhangs were not required to be registered. Therefore, the National Assembly should accord approval to the Ministry of Home and Cultural Affairs allowing the registration of religious artefacts in the private Choekhangs.



The Yangbi Lupon, on behalf of the Dratshang, and the religious community expressed his appreciation to His Majesty the King and the Royal Government for formulating effective measures in safeguarding the national treasures in the Buddhist Kingdom. Some of the priceless artefacts which did not exist in other parts of the world were found in our Lhakhangs and Goendeys. Some religious people continued to assist in performing religious services. However, if proper measures were not put into place for safeguarding the religious nangtens, some people with materialistic propensity would steal and desecrate the sacred nangtens. Therefore, it was imperative to formulate effective plans to safeguard and maintain the precious nangtens.

It had been resolved in the past sessions of the Assembly that fireproof and steel boxes would be provided to safeguard the religious artefacts from fire and theft. However, even if provision of fireproof boxes was not possible, it was important to provide steel boxes. Due to the flourishing of disciples under the learned lams in the past, the religious artefacts were properly safeguarded. However, due to better living conditions in the urban centres, most of the people were migrating to the urban centres resulting in the reduction of people living in Goendeys. While it would be difficult for a few lams and disciples to protect the religious artefacts from thefts, their lives were also put at risk. Furthermore, during the registration of important nangtens and the protective deities sealed by His Holiness the Je Khenpo and the Royal families, opening of these nangtens should only be carried out with prior permission considering the benefits and consequences of opening them.

Some of the members sought clarification as to whether experts were included in the verification team to differentiate the new and old

nantens and whether scientific method was applied during the registration of the religious artefacts. If the new and the old artefacts were differentiated based on the Chathrim, the members also questioned whether a standing Chathrim was in place. It was imperative to inform the people on the outcome of the registration of religious artefacts for achieving effective results. The classification of the old, new and Terma should be carried out using scientific methods, otherwise an effective procedure should be formulated to categorise the artefacts based on its origin.

Some of the members submitted that due to the lack of information on the policy and procedure on the verification and registration of religious artefacts in the private Choekhangs, effective results could not be achieved. Therefore, the purpose of the verification and registration of the religious artefacts should be informed to the House.

Some of the members said that if the private nangtens were either lost or destroyed, there were chances that the innocent people would be penalised. Clarification was sought on the reasons for not being able to register the religious artefacts as per the policy of the Royal Government and issuing of the fireproof boxes in the Lhakhangs and Goendeys as per the resolution of the past Assembly Session. It would be benefiting if permission were granted allowing the religious artefacts to be verified and registered.

Responding to the deliberation, the Minister for Home and Cultural Affairs informed the House that steel boxes for the safekeeping of religious artefacts were distributed to the public and private Lhakhangs and Goendeys. It was hoped that the remaining Lhakhangs and Goendeys would also be provided with the steel boxes. However, while

the fireproof boxes were expensive and most of the Lhakhangs and Goendeys were located on hills and mountains, it was difficult to buy and transport them. As per the plan to build separate fireproof rooms in the Dzongs, fireproof warehouse for the safekeeping of religious artefacts with the facility to make the offerings from outside would be installed in Trongsa Dzong. If it was successful, similar infrastructure would be installed in other Dzongs, Lhakhangs and Goendeys.

The verification and registration of the protective deities, kutens and religious items sealed by our noble ancestors were being carried out meticulously. The same seal were placed on some of the artefacts that were already verified and checked. If there were no representative of the sealing authority, verification and checking of the contents of the chapels of the protective deities and artefacts were restricted.

The policy and the purpose of the verification and registration of religious artefacts would be explained to the people in the western Dzongkhags to continue the registration process in the private Choekhangs. The verification and registration team was supported with technical expertise to distinguish between old and new Kusung Thuktens and artefacts and the required technology to differentiate the new and old religious items. Likewise, there were also experts included in the team who were able to identify evidence on the origin and background of the religious artefacts. After the origins of the religious artefacts were ascertained, the list would be circulated to all the Dzongkhags through the respective DYT. The people would be imposed penalty if they did not come for the verification and registration of the religious artefacts in private Choekhangs on being informed about the approval by the National Assembly.

The Speaker noted that the religious artefacts procured by our noble ancestors were not being recognised by the youth of today as our national treasures and stole them to be sold to other countries. The Speaker commended the Ministry of Home and Cultural Affairs for the effective measures taken to register and safeguard the religious artefacts as per the resolutions of the past sessions of the National Assembly.

It was imperative for the committee to verify and register the religious artefacts by availing expertise and modern technology to differentiate between old and new nangtens. Moreover, the reason, purpose and the policy on the need to verify and register the religious artefacts should be disseminated through radio and newspaper to clarify the doubts of the people. It was also imperative for the DYT and GYT members to disseminate the information to the people under their respective jurisdiction.

The National Assembly accorded approval for the registration of religious artefacts in the private Choekhangs and also resolved that the Ministry of Home and Cultural Affairs should draft a Chathrim for the registration of religious artefacts belonging to the public and private Choekhangs and submit it for endorsement in the next Session of the Assembly. The deliberation on the Registration of Religious Artefacts of Public and Private Choekhangs concluded on 14 July, 2004.

## XV. MISCELLANEOUS ISSUES

### 1. National security

The Bhutan Chamber of Commerce and Industry (BCCI) submitted that since Bhutan had a small army, the scope of mobilizing the

militia volunteers when necessary was limited. Therefore, in the interest of the country, it should be made mandatory for all school leavers and graduates to serve in the army for a period of six months to two years.

When the National Assembly deliberated on the issue, the BCCI Chimi as well as some other Chimis submitted that the problem of lack of Bhutanese army arose especially when the country was facing security threats. Therefore, if the youths leaving class 10 and 12 after completing their studies every year were given military training for two years and posted along the border areas, it would be of great benefit to the security of the country.

In response, some of the members submitted that although it was important to impart military training to the youths completing university and the school leavers, the morale and dedication of some of the youths in carrying out such tasks might be questionable. More harm could be caused than benefiting the country. As such, problems would arise if it was made mandatory for all school leavers to undergo military training.

Speaking on the issue, the Brigadier of the Royal Bhutan Army, on behalf of the three armed forces of Bhutan, expressed his appreciation and gratitude to the members for the concern that they had for the security of the nation. The existing army should be strengthened and improved in terms of training and equipment rather than recruiting temporary militia volunteers. The training, discipline, morale, and dedication of a regular soldier would always be higher compared to the temporary militia volunteers.

The Prime Minister informed the House that the 81<sup>st</sup> session of the National Assembly had discussed the proposal for the establishment of a militia force and the possibility of a reserve military force. It was resolved that the council of ministers would discuss the issue and submit a proposal to the Assembly. The Lhengye Zhungtshog had subsequently directed the Ministry of Home and Cultural Affairs to carry out a detailed study. Although militia and reserve military force existed in other countries, Bhutan's security policy was different. Because of its unique characteristics, a proper proposal on a militia or reserve force had not yet been drawn up. Moreover, the National Assembly had reposed full responsibility for the security of the nation in His Majesty the King. It was, therefore, important that any policy on the militia issue should be drawn from His Majesty's vision and advice and also discussed thoroughly with the three armed forces. Therefore, instead of providing training and posting the class 10 and 12 school leavers along the border areas, it was best ensured by strengthening the potential of the standing army.

The Speaker noted that the BCCI Chimi along with some members had submitted the need to impart military training for two years to the Class 10 and 12 school leavers and the graduates for the security of the country. While this issue was repeatedly discussed in the past sessions of the Assembly, and as submitted by the Prime Minister and the Brigadier, it would be more beneficial to strengthen the standing army than recruiting and providing training to the youth as temporary militia force.

The National Assembly noted that since His Majesty the King has been shouldering the full responsibility of safeguarding the security of the nation, this responsibility should lay with His Majesty the

King. However, it was important for the members to be aware of His Majesty's command and decision on issues relating to the establishment of the militia force. It was resolved that the Lhengye Zhungtshog and the Royal Bhutan Army should discuss on the benefits and detriments of recruiting the militia force for the security of the nation and submit a report to the National Assembly in its 83<sup>rd</sup> Session. The discussion on the National Security concluded on July 14, 2004.

## 2. Dzongkha and Driglam Namzha

The Thimphu Municipality submitted that since the Dzongkha language and Driglam Namzha were unique identities of our country, this issue was repeatedly deliberated in the past sessions of the Assembly. However, as most of the people were not according due importance to the resolutions, some of the agencies had overlooked and neglected the use of Dzongkha.

During the deliberation, the Chang and Kawang Chimi along with some of the members submitted that Dzongkha language was the unique identity of our sovereignty. Although the need to promote our rich cultural heritage had been deliberated time and again in the past sessions of the Assembly, some of the agencies had neglected the use of Dzongkha. The Assembly had decided that English would be used only if there were no other alternatives. If not, writing of all official correspondences and other documents should be carried out in Dzongkha language and should not rest on one's own convenience. Therefore, due importance should be accorded to enhance the implementation of Dzongkha language.

Similarly, some of the members submitted that till now official correspondences and meetings were being conducted in English. In order to preserve and promote Dzongkha language as per the past resolutions, the Royal Government should oversee that all official correspondences were carried out in Dzongkha.

Some of the members pointed out that most of the people in the villages were not familiar with English. Therefore, the Ministries and Departments concerned should make every effort to communicate in Dzongkha. Moreover, if bank transaction forms were made available in Dzongkha, it would immensely help in the promotion of Dzongkha language.

Furthermore, the Speaker reminded the Assembly that discussion should be held only on the national language Dzongkha and Driglam Namzha. Some of the members expressed their concern that English was being used more than Dzongkha. Since most of the people in the villages were not familiar with English, the Ministries and Departments concerned should use Dzongkha language while communicating with them. Moreover, if the bank transaction forms could be made available for use in Dzongkha, it would not only be convenient for the people but would also benefit in promoting Dzongkha language.

The Yangbi Lupon submitted that Bhutan was able to stand equally with other countries in the world mainly due to the introduction of Dzongkha and English languages by the past leaders of the country. In order to promote Dzongkha language, training and workshops should be conducted in Dzongkha.



The Prime Minister informed the house on the advantages and disadvantages of the use of English language since its advent in the world. At a time when the world was united and in times of diplomatic relations, English was an important language, which was the root of all developmental activities. Although English language had to be used in the country, Dzongkha language had made tremendous achievement in upholding the unique identity of our country. Moreover, the Royal Government was continuing to make efforts to promote and develop Dzongkha as per the aspirations of the people. The Royal Government was striking a balance, stressing on the middle path, by promoting both Dzongkha and English.

The Minister for Education and the Deputy Minister for National Environment Commission informed the Assembly that according to the past resolutions of the Assembly, the Bhutan Broadcasting Service had increased the broadcasting time in Dzongkha. Moreover, news broadcast was being carried out without amalgamating Dzongkha and English. The Dzongkha Development Authority had published a new Dzongkha dictionary and had appointed a focal person in all the Dzongkhags. All programmes in the schools and non-formal education centres were conducted in Dzongkha and the possibility of the use of Dzongkha on the Internet was being researched. While tremendous achievement had been made in the use of Dzongkha language since 1975, continuous efforts were also being made to promote and develop the language.

The Assembly noted that due to His Majesty's farsighted vision, plans to promote both Dzongkha and English were introduced and tremendous achievements had been made so far. According to the policy of the Royal Government, several Dzongkha curriculums

were included along with English subjects in the schools. As submitted by the people, offices and agencies were being encouraged to make efforts to develop and promote Dzongkha. The National Assembly resolved that although there was no problem in the usage of both Dzongkha and English in the ministries and departments, all official correspondences and related works with the geogs and Dzongkhags should be carried out in Dzongkha and workshops and meetings should be conducted in Dzongkha while English should be used only when foreigners were participating.

During deliberation on the Driglam Namzha, some of the members submitted that Driglam Namzha was the symbol of our country's unique identity. Although it was the responsibility of all the Bhutanese people to promote and implement the code of Driglam Namzha, the implementation of this exercise was unsatisfactory in the capital city and larger towns as the people did not adhere to the rules as compared to other Dzongkhags. Therefore, it was important that an authority should be identified to oversee the implementation of Driglam Namzha.

Some of the members submitted that since it was not a violation of human rights to preserve and promote our age-old traditions, the parents should teach the importance of Driglam Namzha to their children. As many activities were not in conformity with Driglam Namzha, the ministries concerned should strictly adhere to the past resolutions of the Assembly.

In addition, the Home Minister informed the House that due to problems related to Driglam Namzha in the towns, Rules of Procedure was being drafted according to the resolutions of the 81<sup>st</sup>

session. The submissions of the members will be incorporated in the Rules of Procedure and would be submitted in the next session of the Assembly.

The National Assembly noted that although the issue of Driglam Namzha was deliberated comprehensively in the past sessions of the National Assembly, international norms and standards should be followed as per our requirements as Bhutan was a member of the United Nations. It was resolved that as per the resolution of the 80<sup>th</sup> session and considering the submissions of the members to preserve and promote the Driglam Namzha, the Ministry of Home and Cultural Affairs should draft a Rules of Procedure and submit it in the next session of the National Assembly. The deliberation on Dzongkha and Driglam Namzha concluded on July 14, 2004.

### 3. Amendment to the Marriage Act

The people of Lhuentse, Paro, Trashigang and Thimphu Dzongkhags submitted that the husband was required to pay the child maintenance allowance till the child attained 18 years even if the wife was at fault. The requirement for the husband to pay alimony even in the event of a divorce resulting from the misbehaviour and faults of a wife was not reasonable. Therefore, these provisions in the Marriage Act should be suitably amended.

The Chang and Kawang Chimi along with some of the members submitted that if a couple underwent trials at the Royal Court of Justice following the divorce after a misdemeanour committed by a wife, the child maintenance allowance were to be paid as per section Kha/7-5 under the Marriage Act and section Ga/6-17 under the Inheritance Act. It was inappropriate

that the father should bear the cost for the support of the child irrespective of whether the husband or the wife was at fault. It had been enshrined under section Kha/7-5 of the Marriage Act that subsequent to a divorce being granted on the grounds of a misdemeanour having been committed by a wife, no maintenance allowance for the children was admissible to the wife. However, where a couple had been living apart prior to their divorce, then the maintenance allowance for the children were to be processed in accordance with the provisions laid down in the Inheritance Act. Whereas, section Ga/6-17 of the Inheritance Act stated that properties were restricted from being shared on the divorce of the husband and the wife not recognised as a joint family, the children who had not attained the age of nine years should be given in the custody of the mother while the father should bear the cost for the maintenance of the children irrespective of whether the husband or the wife committed misdemeanour. However, it would be beneficial to revise the provision in light of international gender equality that alimony would be paid by either of the spouses who was at fault instead of the husband having to pay for the child support even if the wife was at fault.

The Chief Justice, who was invited to the National Assembly as the Guest Speaker, having elucidated on the laws reminded the House to consider the ultimate interest of the future generation and the commendation of the international community. There was contradiction between section Kha/7-5 of the Marriage Act and section Ga/6-17 of the Inheritance Act. The Royal Court of Justice also needed to relate closely and implement accordingly with section Ga/6-17 of the Inheritance Act as section Kha/7-5 of the Marriage Act had referred section Ga/6-17 of the Inheritance Act for matters relating to the child maintenance allowance.

The law was based on the traditional saying that a husband was the provider, even if he was poor, and the wife was the receiver even if

she was rich. Moreover, section Ga/6-17 of the Inheritance Act, which states, '*the father shall have to bear the cost for the maintenance of the children irrespective of whether the husband or the wife committed the misdemeanour*', had been praised and appreciated even by the United Nations. Furthermore, under the wise leadership of His Majesty the King, Bhutan's approach was considered outstanding when Bhutan participated and signed the treaty on international children's rights. However, if these were unacceptable to the people, the National Assembly should delete either section Kha/7-5 of the Marriage Act or section Ga/6-17 of the Inheritance Act. The decision of the House to delete the provision, *irrespective of who was at fault during the divorce* would be acceptable.

The traditional practice of the respective regions had never disapproved payment of alimony to women. Moreover, it had been enshrined in the Thrimzhung Chhenmo that women were entitled for alimony. However, it had been included in the Marriage Act of 1980 that the alimony should not be paid and the Royal Court of Justice was thoroughly reviewing the provision based on the respective provisions of the laws. As it was the responsibility of the Legislative branch to amend and endorse legislations, the Judiciary would carryout its responsibility without incongruity and trouble as per the review and amendment of the laws by the National Assembly.

Some of the members submitted that no amendment was required for section Kha/7-5 of the Marriage Act and reiterated if the discrepancies enshrined under Ga/6-17 of the Inheritance Act would be differentiated. The provision, *the father shall have to bear the cost for the maintenance of the children irrespective of who was at fault*', should be deleted or amended. If the age of the child and the percentage of maintenance penalty passed in 1996 were amended, the rights of men and women would be equal.

The Mongar Chimi along with some of the representatives submitted that the provision on the child support allowance had no relation with the faults during divorce. The mother had to bear the pain when the child was in the womb for nine months. It was also the responsibility of the mother to bring up the child with care. Therefore, it was enshrined in the Marriage Act that the child would be in the custody of the mother till the child attained 9 years of age. Moreover, the payment of child maintenance allowance by the father was as per the international norms. As the Acts had provisioned the basis and rationale with the objective to prevent the child from indulging in substance abuse and other bad habits, the Acts did not require any amendment.

Some of the members said that the section under Thrimzhung Chhenmo, 1958 stated *'if the wife married another man at the time the husband was paying for the child maintenance, the maintenance allowance should be discontinued'*, had not been included during the amendment in 1996, which caused the inconvenience. However, as the Act of 1980 had not been repealed, it must be made clear as to which of the two Acts should be implemented.

Responding to the submission, the Chief Justice said that the Marriage Act of 1980 was amended with substantive provisions after repeated submission by the people. The Judiciary had no objection on the decision of the members considering the human rights and the gender equality. Since there were no disparity between the Marriage Act of 1980 and 1996, the two Acts would not be differentiated. While amending the Marriage Act, 1996, sections on the payment of alimony and child maintenance allowance were added.

Some of the members stated that if the Marriage Act and the Inheritance Act were amended without considering proper need and requirement, thorough deliberation would have to be carried out on their amendments in the future. Therefore, the National Assembly should discuss extensively and submit the

proposals in the 83<sup>rd</sup> Session. As the payment of alimony was irrespective of the faults of the wife or the husband, the provision would be included in the Act and discussed in the Assembly. Given that the payment of child maintenance allowance by either of the parents was to support the child, it should be based on the international norms.

The Speaker said that although the National Assembly was a forum to discuss issues of mutual interest, it could not engage in immediate deliberation on the amendment of the Acts of the country. When the need arose for the Acts to be amended, the amendments should be carried out with out haste after conducting a thorough study and analysis of the amendment procedure. The members must bear in mind on the difficulties of amending and drafting legislations.

The National Assembly resolved that the Judiciary in close consultation with the Legislative Committee of the National Assembly should thoroughly study the need for amending the Marriage Act, 1980 and the amendment to the Marriage Act, 1996, considering the convenience and submissions made by the people and submit it for decision in the 83<sup>rd</sup> Session. The deliberation on the amendment to Marriage Act concluded on 14 July, 2004.

#### 4. Clarification on issues and policies

The Thimphu Municipality submitted that there were certain administrative and policy issues that could not be resolved in the courts due to contradictory provision in various laws and Acts and requested a clarification on such issues.

During the deliberation on this issue, the Municipality Chimi who was also supported by the Bumthang Chimi said that according to Chapter 15 of the Dzongkhag Yargay Tshogdu Chathrim and

Chapter 14 of the Geog Yargay Tshogchung Chathrim, the Royal Court of Justice should investigate the case of a person involved in criminal activities. However, adjudication should not be delayed on the pretext that it was an administrative or a policy matter. The Royal Court of Justice, irrespective of whether a person was guilty or not should pass a verdict on such criminals.

In response, the Honourable Chief Justice said that it was the responsibility of the Royal Court of Justice to probe into any issues related to law. Since the three branches of the government were separate, it would be appropriate to exercise the authority according to one's own mandate and system. Moreover, there was an established procedure to issue Kasho to the respective ministries and departments relating to the administrative and policy issues. Therefore, it was very important to analyse the suitability of the administrative and policy issues to be included under the purview of the Royal Court of Justice.

The Prime Minister said that the ultimate law of the country was the *Thrimshung Chhenmo*. Therefore, if there were any controversies in the laws and Acts, it was imperative to submit the controversial clauses in the National Assembly for necessary amendment. Moreover, it was the responsibility of the Dzongkhag Yargay Tshogdu to resolve such problems as per the decentralisation policy and the existing Rules of Procedure. Therefore, it would be more convenient if the authority of the three branches of the government were exercised separately.

The National Assembly noted that all the Royal edicts of His Majesty the King and the resolutions of the National Assembly were



policy matters while the issues concerning the executive and the civil servants were considered administrative matters. The National Assembly resolved that all policy related issues should be dealt with according to the Thrimshung Chhenmo and the provisions of the Acts. The Royal Court of Justice should adjudicate issues not within the purview of the administrative authority according to the degree of the crime. The deliberation on clarification on issues and policies concluded on July 16, 2004.

#### 5. Resettlement programme

The People of Mongar Dzongkhag submitted that the Royal Government had provided land to the landless citizens under the resettlement programme in order to improve the livelihood of the people and to attain food self-sufficiency. The people requested the government to continue providing such Kidu land to the landless people.

Responding on the issue, the Prime Minister said that late His Majesty the King initiated resettlement of the landless people in 1956. The policy of resettlement of the landless people had been continued under the benevolence of the present King. Until the 7<sup>th</sup> round of the resettlement programme, 3184 households had applied for agricultural land from different parts of the country, out of which 621 households were provided with special Kidu. The Royal Government should continue to implement the resettlement programme.

One of the people's representative said that His Majesty the King with heartfelt compassion for the welfare of the landless people had

granted Kidu land . However, some of the beneficiaries of the Kidu land were believed to be selling land. It was very important that the Ministry of Home and Cultural Affairs should conduct a thorough investigation to prevent transaction of Kidu land.

The Minister for Home and Cultural Affairs clarified that no beneficiaries of the Kidu land were allowed to sell the land. While no one was allowed to sell such land for a minimum period of ten years, the land was not registered in their name nor were the people allowed to transfer thram during the period. However, the Ministry had not received any report of this kind till date. In case, instances of deceiving the Royal Government were reported, the members of the Geog Yargay Tshogchung and the Dzongkhag Yargay Tshogdu should report such matters to the Royal Government through the Dzongkhag Administration. The Royal Government will then accordingly investigate the matter and deal with according to the resettlement rules.

The Samtse Dzongdag said that although no cases were reported in Samtse Dzongkhag, regular investigation was still being carried out on the transaction of Kidu land. All the Kashos received by the Dzongkhag for granting of land to the landless people were being conveyed to the people concerned through the Gups and Chimis.

The National Assembly resolved that while cases of transaction, inheritance and transfer of thram of the Kidu land should be reported to the Geogs and Dzongkhags, investigation should be carried out in the event there were people indulging in such malpractices by the respective Dzongkhag and the Ministries. It was also resolved that transfer of thram should be implemented strictly as per the policies

of the government and the laws of the land. The deliberation on the Resettlement Programme concluded on July 16, 2004.

#### 6. Enactment of laws

The Thimphu Municipality member sought clarification on the benefits of issuing dismissal order towards the end of the case which did not contain a clear verdict either to the court or the litigants. The House should be clearly appraised on the reasons for issuing dismissal order and the decision of the National Assembly should be incorporated in the resolution.

Responding to the deliberation, the Chief Justice said that the incorporation of the word 'dismissal' in the Criminal Code of Procedure had been derived from the existing term 'invalid' in the religious scriptures of *Kanjur Tenjur* and was not self-manifested. The people must be aware of its benefits and detriments since a series of workshops were conducted on the Procedure for the members concerned in the Dzongkhags.

The National Assembly resolved that if the Royal Court of Justice dismissed a case in the process of adjudication and the litigants were not satisfied with the dismissal order, such people could submit an appeal as per the provisions of the Civil and Criminal Procedure Code. The deliberation on the Enactment of laws concluded on July 16, 2004.

## 7. Shifting of Dzongkhag Administration from Sarpang to Gelephu

The people of Sarpang Dzongkhag proposed for the shifting of the Dzongkhag Administration from Shompangkha to Gelephu considering the increased population in Gelephu and the size of Gelephu town. His Holiness the Je Khenpo during his visit to Gelephu had considered establishing a religious institute and a monument at Phulahari under Bhur Geog. It would also be appropriate for the Dratshang and the Dzongkhag Administration to be located in the same place.

During the deliberation on the issue, the Prime Minister said that the submission made by the people of Sarpang was laudable. The Dzongkhag Administration was shifted from Sompangkha to Gelephu considering the population and the construction of the east-west highway in 1975. The Dzongkhag Administration was again shifted back to Shompangkha from Gelephu in 1989 because of the new road connecting western and southern Bhutan and the availability of other facilities. In case the Dzongkhag Administration was to be shifted again to Gelephu, not only the Dzongkhag, but also the Dzongkhag Court would have to be automatically shifted. Therefore, a detailed feasibility study to determine the suitability of shifting the Dzongkhag would be carried out and submitted in the next session of the National Assembly.

Supporting the deliberation, the Sarpang Dzongdag said that although it was important for the Dzongkhag Administration and the Dratshang to be located in the same area, it would be appropriate if the decision to shift the Dzongkhag was made as per the policy of the government and the feasibility study report.

The National Assembly resolved that the Ministry of Home and Cultural Affairs and the Sarpang Dzongkhag should jointly carry out a feasibility study, considering its benefits and detriments. A plan should be formulated based on the budget of the government which should be submitted in the next session of the Assembly. The deliberation on the shifting of Dzongkhag Administration from Sarpang to Gelephu concluded on July 19, 2004.

8. Transfer of land ownership

The Thimphu City Corporation submitted that a person need not produce or fill up additional documents while transferring the land ownership. The Royal Court of Justice and the City Corporation should abide by the Land Act and the decisions of the National Assembly. While the Royal Court of Justice would be submitting a report on the land ownership transfer as per the decision of the 81<sup>st</sup> Session of the National Assembly, opportunity should be given to make further submission on this matter.

The Chang and Kawang Chimi said that as per the resolution of the 81<sup>st</sup> Session, an investigation report on any errors or wrong judgment passed by the Drangpons during transfer of land ownership and other legal issues would be submitted to the 82<sup>nd</sup> Session. However, the report was not submitted by the Royal Court of Justice.

The Speaker informed the House that in accordance with the decision of the 81<sup>st</sup> Session, the Royal Court of Justice had made a detailed investigation in the 20 Dzongkhags on the transfer of land ownership and other legal issues. The outcomes of the investigation,

printed in two volumes, had been submitted to the National Assembly Secretariat while copies had also been submitted to His Majesty the King.

The National Assembly recognized that all rights relating to lands in the Kingdom were vested with His Majesty the King. The National Assembly was not in a position to deliberate on this issue unless there was a definite command from His Majesty the King. The discussion on transfer of land ownership concluded on 19 July, 2004.

9. Indo-Bhutan border security

The people of Paro Dzongkhag submitted that the Indo-Bhutan border should be strengthened through regular security patrolling.

During the deliberation, the people's representative from Paro Dzongkhag along with some other members said that the government and the people were not aware as to when the Indian militants entered into our territory mainly because there was no permanent security patrolling along the Indo-Bhutan border. However, in case a permanent security patrolling along the border could be established, it would have immense benefit to the security of the country and the people. Although the peace and security of the country was disturbed in the past year, it was due to the benevolent leadership of His Majesty the King that the problem was resolved in a very short period of time without affecting the security of the country and the people.

The Brigadier of the Royal Bhutan Army said that keeping in view the command of His Majesty the King to strengthen the Indo-Bhutan

border, the Royal Bhutan Army had been conducting regular patrolling to strengthen the security along the militant affected areas and pledged to continue in the future.

The Prime Minister informed the House that under the wise leadership of His Majesty the King and with the loyal and dedicated service of the three armed forces, the security threat posed by the militants to the sovereignty of our nation had been successfully resolved. The National Assembly was informed on the effective security measures adopted by the Royal Government as per the command of His Majesty the King to avert similar problems in the future.

After the emergence of the problem along the border, new military camps had been established in the security affected areas starting from Daifam in the east to Sipsu in the west with the deployment of more than 5,000 army and 177 officers. Further, the Royal Bhutan Army and the Royal Bhutan Police were regularly patrolling these areas. The officials of the Dzongkhag Administration and the Royal Bhutan Police were holding regular discussion in close cooperation with the officials of the neighbouring Indian states. The discussion on the Indo-Bhutan border issue was also continuously being conducted on a regular basis. The Foreign Minister was not only scheduled to discuss the problem of border security with the Indian counterpart during the forthcoming SAARC Summit to be held in Pakistan, but the Prime Minister would also discuss the border issues with the Indian Prime Minister during the conference held on 30 July 2004 in Bangkok, Thailand.

Based on the newly formed system of holding regular talks in the spirit of mutual cooperation between India and Bhutan, a delegation led by the Home Secretary had participated in a meeting on border management and security held in New Delhi from 9-10 March 2004. The meeting also adopted several new measures to strengthen the security along the India-Bhutan border. According to the command of His Majesty the King, the Government of India had deployed security personnel to escort the Bhutanese people plying through Assam since 10 January 2004 and in West Bengal from 17 February 2004. The talks were being held with the Government of India for the deployment of their army on a regular basis along the border.

During the time of the problem in the country, as per the command of His Majesty the King, 150 risungpas were deployed in the security-affected villages and they would be retained in the interest of the government and the people. The maintenance of the security walls constructed along the Indo-Bhutan border in Phuentsholing, Gelephu and Samdrup Jongkhar were also being carried out.

Due to the benevolence of His Majesty the King, the Government of India had been providing security for the time-being but it would not be provided forever. Therefore, while efforts would be made for the Bhutanese people to commute within the country, the Royal Government had also planned to connect the east-west national highway in the 9<sup>th</sup> and the 10<sup>th</sup> plan after repeated deliberations. In case the Bhutanese people were able to commute within the country, it would have immense benefit to the security and socio-economic development of the country as well as for internal trade. Therefore, it was imperative that efforts would be made for the people to travel within the country.



Some of the members said that in addition to the 150 risungpas, provision of reinforcement would greatly help in the surveillance and strengthening of the security of Dzongs, factories and other social infrastructure.

Similarly, some of the members expressed their gratitude to the Indian Government for providing security arrangement to the Bhutanese people travelling between Samdrup Jongkhar and Phuentsholing and between Phuentsholing and Samtse. If the security was not maintained from Daifam in the east to Sipsu in the west by the Royal Bhutan Army, Royal Bhutan Police, the Dzongkhag Administration and the people, the Maoist rebels of Nepal and the people living in the camps in Nepal would join hands and affect the peace and security of the country.

Noting the concerns submitted by several members on the Indo-Bhutan border security issue raised by the people of Paro Dzongkhag, the Speaker expressed his appreciation to the Brigadier of the Royal Bhutan Army for informing the National Assembly on strengthening the security from Daifam in the east to Sipsu in the west and the Prime Minister for initiating several new security measures for border security in consultation with the Government of India.

The National Assembly noted that it was due to the benevolence of His Majesty the King that no serious threat was posed to the security of the country despite the emergence of security problems. The National Assembly resolved that since there was the possibility of the security problem emerging in the future, it was important for the

Royal Government, bearing in mind the submissions of the people, to accord high priority to continue talks on strengthening the Indo-Bhutan border security between the two countries. The discussion on Indo-Bhutan border security concluded on 19 July, 2004.

10. Scarf of the Speaker of the National Assembly

The people of Gasa Dzongkhag submitted that with the separation of power among the three branches of the government following the 81<sup>st</sup> Session of the Assembly, the functional role of the National Assembly had been increased. The Speaker, as head of the legislature, had to shoulder greater responsibilities in steering the country's highest decision making body. Therefore, the Speaker should be awarded with the scarf equivalent to the head of the other branches of the government.

While deliberating on the agenda, some of the members submitted that, although it was not appropriate to demand ministerial scarf for the Speaker, it was necessary as the Speaker was the head of the legislature. Therefore, it was imperative to award a scarf to the Speaker in commensurate with the dignity and status of this high post. This would also enhance the image of the Speaker in the eyes of international community. If the National Assembly resolved to award the Speaker with the scarf equivalent to the heads of the other branches of the government, the dignity and the image of the National Assembly would be greatly enhanced.

Some of the members said that the issue of awarding scarf to the Speaker was the prerogative of His Majesty the King. Therefore, it was not appropriate for the National Assembly to deliberate on this

issue. It was important to think of the future circumstances rather than just considering the immediate image and honour. Since National Assembly was a permanent institution, it would be appropriate to consider awarding orange scarf to the Speaker of the National Assembly. This would enhance dignity and supremacy of the National Assembly both within and outside the country.

The main function of the National Assembly was to vote and elect the Speaker and not to discuss on issues pertaining to the post and the scarf. The National Assembly resolved that the issue would be in compliance with the command of His Majesty the King. The deliberation on the scarf of the National Assembly Speaker concluded on August 19, 2004.

#### 11. Reduction of interest rates on rural credit

The people of Wangdue Phodrang Dzongkhag submitted that rural credit system introduced by the Ministry of Finance and the Ministry of Agriculture to enhance agricultural and dairy products has immensely benefited the common people. Therefore, the people requested for the reduction of the interest rates on rural credit from 13 to 10 percent to improve the living standard of the people in the rural areas.

During the deliberation, several members expressed their appreciation to His Majesty the King for introducing rural credit system through the collaborative efforts of the Finance Ministry and financial institutions to improve the lives of the rural population who were dependent on agriculture for their livelihood. Unlike the rate of interest of other financial institutions, the rate of interest on rural

credit had been fixed at 13 percent, which had immensely benefited the common people.

The Finance Minister said that the main objective of rural credit was to deliver low interest rate micro credit services to the common people. The rural credit service provided by the Bhutan Development Finance Corporation (BDFC) was actually a development programme unlike the banking service undertaken by commercial banks. The BDFC either provided mortgage free or negligible collateral tied credit services to the community. Therefore, it was credit service with high risk factor, which other commercial banks were not in a position to provide.

Notwithstanding the total subsidy of Nu. 293million provided by the government to the BDFC, it suffered a loss of Nu.0.15million within six months this year. While the cost of rural credit delivery was very high, it had to incur high recurrent expenditure in maintaining 22 branch offices with 102 employees spread all over the country. Therefore, it was difficult to reduce the interest rates. The loan was readily available without the people having to leave their work and travel to the district offices. The loan was directly delivered and recovered from the farmers saving their time and money enabling the farmers in the rural areas to avail the loan facilities. However, the risk of having a very poor loan recovery system was adversely affecting the financial sustainability.

The Bank was functioning on the external grants and loans from other financial institutions besides the government subsidy. The reduction of interest rates would affect the financial viability of rural credit. The international financial institutions declined to commit

grants for the credit capital due to the government's refusal to increase the interest rate despite the suggestions by the international financial experts. The current applicable rate of interest fixed after thorough study by the Finance Ministry and other financial institutions had achieved positive results. Therefore, it would be prudent to maintain the existing rate of interest.

The Punakha Dzongdag, who was a member of the board, said that the current rate of interest would benefit the people. However, while the reduction in the rate of interest would not deliver any benefit to the people, it would have adverse impact on the financial viability incurring a huge loss to the government. He urged the members to consider the long term financial viability for the greater benefit of the people drawing inspiration from the parable of a goose laying golden eggs.

Despite the risk of having to lower the rate of interest, the members reiterated their submission to reduce the rate of interest for the benefit of the common people in line with the exemption of personal income tax on the foreign allowances and representational grants to the people serving in the Bhutanese embassies abroad. The Assembly resolved that the interest rate on rural credit would be reduced from 13 percent to 10 percent with effect from August 1, 2004. The deliberation on the reduction interest rates on rural credit concluded on August 19, 2004.

## 12. Establishment of new Dungkhag

The people of Mongar Dzongkhag submitted that Silambi and Gongdu were the most remote and furthest geogs. The lack of proper

transportation facilities, especially in the summer, affected the timely completion of development activities. Therefore, the Royal Government should consider establishing a new Dungkhag at Weringla which would immensely benefit the people of Silambi and Gongdu geogs.

Responding to the deliberation, some of the members said that the people of these two remote geogs had to undertake four to five days of arduous walk to reach the Dzongkhag headquarter. Moreover, flood during the monsoon season impeded developmental activities. Given the circumstances, the socio-economic development in these geogs would remain a far fetched dream. Therefore, in order to mitigate the problem, the Royal Government should consider establishing a new Dungkhag at Weringla. This would not only facilitate timely completion of the planned programmes but would also have far reaching affect in achieving the policy objective of balanced regional development all over the country.

Supporting the submission of the people of Mongar Dzongkhag for the establishment of a new Dungkhag at Weringla, the Minister for Home and Cultural Affairs said that he had visited these remote geogs as the Zonal Administrator of the Eastern Zone in 1992 and had affirmed the necessity for the establishment of a new Dungkahg for these geogs and submitted a report to the government for consideration.

The government at that time could not decide on the establishment of a new Dungkhag due to initial stage of decentralization policy and the lack of proper administrative structure. Although, a new Dungkhag was required to be established immediately as submitted

by the people, the responsibility of establishing and abolishing the Dungkhag was the prerogative of the Government. Therefore, the Ministry of Home and Cultural Affairs would carry out a detailed study and submit the report to the Lhengye Zhungtshog for further directives on the matter.

The National Assembly resolved to establish a new Dungkhag in Weringla under Mongar Dzongkhag as per the submission of the Minister for Home and Cultural Affairs and the directives of the Lhengye Zhungtshog. The deliberation on the establishment of a new Dungkhag concluded on July 19, 2004.

### 13. Enactment of draft Acts

The representative of Thimphu Municipality said that it was important for the members to understand the objectives, benefit and detriments of draft Acts, Rules and Regulations formulated for the benefit of the government and the people. The draft Acts should be distributed in the current session of the National Assembly and enacted in the next session. This would allow adequate time to the members to review the Acts for affecting suitable changes.

The Speaker informed the house that after a thorough research, the experts of the ministries and agencies concerned drafted the Acts, conducted workshops and subsequently edited the Acts by the legal experts of outside countries incurring heavy expenditure. The Acts were then submitted and discussed in the Lhengye Zhungtshog. Finally, the Legislative Committee thoroughly reviewed the Acts before submitting to the National Assembly for enactment.

The draft Acts were distributed to the members before the commencement of the National Assembly Session to enable the members to review the draft Acts. Provided the members accorded due importance to the draft Acts and reviewed, they would be able to comprehend the benefits and detriments of the draft Acts within one and a half month. However, it would not make any difference even if the Acts were distributed two years in advance in case the members neglected to review the Acts before the discussion.

The National Assembly resolved that the existing procedure of distributing and enacting the draft Acts would be continued. The deliberation on the enactment of draft Acts concluded on July 19, 2004.

#### 14. Renovation of old Zhongar Dzong

The people of Mongar Dzongkhag submitted for the renovation and preservation of the Zhongar Dzong, one of the renowned and sacred historical sites in the Bhutanese history.

During the deliberation, the Mongar Chimi followed by some other members said that the Zhongar Dzong built by Tenpai Nima in the 11<sup>th</sup> century was razed by fire and was never renovated. Therefore, it was important to renovate the Dzong not only to uphold the Buddha Dharma for the benefit of the sentient beings, but also for the creation of employment opportunities, provided that the site was opened for the tourists.

The Minister for Home and Cultural Affairs said that due to several road construction projects included in the 9<sup>th</sup> Five Year Plan, it was



not possible to initiate any type of programme for the renovation of the Zhongar Dzong. Since the renovation would entail huge budget, it was imperative to conduct a detailed study on the nature and scope of renovation and the benefits of tourism to the people. The feasibility report would be submitted in the next session of the National Assembly. In the meantime, the Lhengye Zhungtshog would discuss and consider allocating some budget to clear the thickets and trees in and around the ruined walls.

The National Assembly resolved that as the renovation of Zhongar Dzong was not reflected in the 9<sup>th</sup> Five Year plan, the Ministry of Home and Cultural Affairs would conduct a feasibility study and evaluate the benefits and detriments of constructing a new Dzong and submit it in the next session for endorsement. In case, the construction of the Dzong was considered in the 10<sup>th</sup> Five Year Plan, it should be accordingly incorporated in the plan and also budgeted. The deliberation on the renovation of Zhongar Dzong concluded on July 19, 2004.

#### 15. Employment of Bhutanese youth

The people of Paro Dzongkhag submitted that group loans should be given in order to solve the youth unemployment problem in the country. The Royal Government should establish a taxi and private car rental agency with the objective to prevent the problem of substance abuse.

Some of the members said that a group of ten youth might be formed in every Geog encouraging them to take up farming as a full time employment by providing them with agricultural tools and

machineries. Besides providing employment opportunity, the interest of the youth in farming would be enhanced. Although, the government had distributed agricultural machineries, the machineries were being kept idle as there were no experienced people to operate them. The initiative of the government to distribute full set of agricultural machineries would also enhance agricultural activities. The provision of collateral free loan to purchase cars for rent to the government and tourism agencies would alleviate the youth unemployment problem. The government could recover the loan from the generation of income by means of hiring out the cars.

Some of the members said that the light, medium and heavy vehicles maintained by some of the ministries and departments was causing loss to the government as the vehicles were used more for private than official purposes. Discontinuing the government pool vehicle system and the introduction of private car rental scheme would not only reduce the expenses but also help in providing employment opportunities to the youth. Since the private truckers were available to transport goods, there was no need to maintain trucks as pool vehicles in the government agencies.

The Minister for Labour and Human Resources reported that an office to support and finance small scale business for the educated people of 19-30 years of age had been established under the co-ordination of the Ministry of Trade & Industry since 2003. Under the entrepreneurial development programme, the interest free loan of Nu. 200,000 to Nu. 300,000 were being provided. Under this programme, out of 18 youth who had undergone the training, 8 had successfully completed the training. After receiving the certificates, they availed the loan approval from the two financial institutions.

While two of them had already started working, 6 were preparing to commence the work.

While comparing the expenditure between the pool vehicles and hiring of private cars, it was found out that hiring the private vehicles was more expensive. However, it was the policy of the government to reduce the number of pool vehicles every year. Out of about twenty five thousand vehicles in the country, only about 165 non-Bhutanese had the valid permit to drive the vehicles. Therefore, the interested individuals applying for training at the driving training institute established at Samthangkha in Wangdue Phodrang had ample opportunities to get employed.

The Minister for Agriculture reported that as per the command of His Majesty the King in 2000, the Ministry of Agriculture had established the Natural Resource Training Institute at Lobesa to encourage young boys and girls in agriculture and animal husbandry. The training on cultivation of varieties of vegetables, mushrooms, fishery and piggery were also provided in the institute in addition to the training on operation and maintenance of power tillers. The training was normally provided for the duration of two to three weeks or two to three months. About 175 boys and girls were trained since 2000.

It was also reported that a Rural Agriculture Development Training Centre had been established in Zhemgang in the Ninth Five Year Plan with the joint contribution of Nu.87 million by the Royal Government, SDC and Helvetas. Training on diverse farming and agricultural businesses had been provided to encourage and motivate youth to take up agriculture in the rural areas. It was hoped that a

plan to educate and train Gups, Mangmis and Tshogpas would also be implemented in a few years. About 100 young boys and girls were targeted to be trained every year which would have far-reaching impact in solving youth unemployment problem in the country.

It was extremely important to carry out comprehensive study regarding the interest of the youth in agricultural farming before the plans and programmes were implemented. Given the scenario that the youngsters were interested in taking up agricultural works, the Royal Government had formulated plans and programmes ready for implementation. If the youth were able to operate agricultural machineries and were able to hire it out, it would generate income for them as well as the renewable natural resources centres (RNRCs) in the geogs would be further strengthened. The Royal Government had been providing power tillers at subsidised rates to assist the poor farmers in the rural areas. However, the people were lacking the necessary skills and experience in the operation and maintenance of the machineries. Therefore, it would be appropriate to initiate training in the RNRCs on the operation and maintenance of such machineries.

Some of the members sought clarification from the Finance Minister regarding the benefits and detriments of discontinuing the government pool vehicle system and privatising it. Further, the Ministry of Finance would provide financial support while establishing private car rental firms in order to provide employment opportunities to the youth.

Clarifying on the issue, the Finance Minister said that it was necessary to keep pool vehicles in the ministries and departments to facilitate timely completion of the government activities. It was also necessary to keep heavy vehicles in some of the Dzongkhags and ministries to transport essential supplies and materials. While the government had already adopted measures to reduce the misuse of pool vehicles, positive result could not be achieved due to some practical inconveniences.

However, if all the vehicles were privatised, the government would face lots of problem in times of need. The heavy vehicles transporting education and health materials were very old and it had to be maintained without other alternative. The ministries and departments did not provision budget for the purchase of new vehicles. The report on the reduction of pool vehicles and the possibility of providing financial assistance to establish private car rental services for the employment of youth would be worked out with the financial institutions and submitted in the next session.

The Speaker informed the House that one of the main policies of the Royal Government was to provide employment opportunities to the youth. He acknowledged the Ministry of Labour and Human Resources and the Ministry of Agriculture for initiating several training programmes and activities to mitigate the youth unemployment problem. The establishment of the Ministry of Labour and Human Resources was basically to mitigate the problems of youth unemployment in the future.

The National Assembly resolved that as reported by the Finance Minister, a detailed study would be conducted on the plans and

programmes of reducing pool vehicles; and the possibilities of providing financial assistance to establish private car rental service to generate employment opportunities and a report would be submitted in the 83<sup>rd</sup> session. The deliberation on employment of Bhutanese youth concluded on July 19, 2004.

16. Bank Transaction forms in Dzongkha

The people of Trongsa Dzongkhag submitted that it was the responsibility of all the citizens to promote Dzongkha as per the policy of the Royal Government. However, all transaction forms in the banks should be made available in both Dzongkha and English.

Taking part in the deliberation, most of the members acknowledged that the Dzongkha Development Authority was making earnest effort to develop the Dzongkha language which was the symbol of our national identity. However, all the bank transaction forms were available only in English. Therefore, the farmers and the monks without English knowledge had to rely on other people even to fill up a simple form. As per the command of His Majesty the King, non-formal education programme was started and now most of the people in the rural areas were able to read and write in Dzongkha only. Therefore, the forms available in both Dzongkha and English would not only facilitate in the development of our national language but it would also immensely benefit the common people.

The Finance Minister said that the transaction forms in the banks were available only in English due to difficulty in translating the terms into Dzongkha. In order to uphold the policy of Dzongkha development, the Ministry of Finance had issued a circular to all the

financial institutions to make the transaction forms in both Dzongkha and English. The Ministry would ensure that the circular was complied accordingly.

The National Assembly resolved that all the correspondences between the Dzongkhags, geogs and the government should be carried out in Dzongkha. The Finance Ministry must ensure that all the bank transactions forms were available in Dzongkha for the benefit of farmers and the monks. The deliberation on the bank transaction forms in Dzongkha concluded on July 20, 2004.

17. Timber for rural construction

The people of Samtse Dzongkhag submitted that due to the long procedure of obtaining approval for timber, construction of Out Reach Clinics (ORCs) and community schools were being delayed. Therefore, it was submitted that the Divisional Forest Offices should be vested with the authority to approve timber for rural construction instead of having to obtain the approval from the Ministry of Agriculture.

Supporting the submission of the Samtse Dzongkhag, some of the members said that all the other Dzongkhags would also be benefited if the Royal Government accorded authority to the Divisional Forest Offices for approving timber instead of the Ministry for the construction of community schools and out reach clinics.

Similarly, some of the members said that any activity relating to socio-economic development in the villages like the construction and renovation of community schools and hospitals required about 90 to

95 percent timber. It would take a long time to obtain approval for timber as it had to be routed through the Divisional Forest Offices to the Ministry of Agriculture which was causing inconvenience to the people. Therefore, it was submitted that the Royal Government should grant authority to the Divisional Forest Offices for approving timber for construction purposes to avoid delay and inconveniences.

In response, the Minister for Agriculture informed the members that nine applications received for rural timber from Samtse Dzongkhag have been approved. The Forest Act was enacted in 1994 and according to the forest management procedures, the use of forest products was restricted. This clause was being strictly implemented by the Ministry. It would pose problem if the authority to approve timber for construction of community schools and out-reach clinics were accorded to the Divisional Forest Offices. While it was important for the respective ministries and departments to work according to the resolutions of the National Assembly, the members should clearly understand the powers and responsibilities enshrined in the Act. Therefore, the House should pass a suitable resolution keeping in mind the present and future well-being of the country. Henceforth, efforts would be made to accord approval for rural timber within the shortest time so that the construction of community schools and the ORCs centres were completed on time.

Some of the members proposed that in case the application for timber approval was submitted to the Ministry of Agriculture through the Divisional Forest Office a few months prior to the actual construction, it would not cause any problem. Significantly, there would be the problem of unequal distribution of rural timber in the event the authority was given to the Divisional Forest Offices. It



would be beneficial if a ceiling on the number of timber for the construction of community schools and ORCs was specified. Further, it was submitted that if it was possible to distribute a copy of the resolutions of the National Assembly to the Divisional Forest officials, it would enable them to solve any problem that might arise on this matter. However, it would be appreciated if the Divisional Forest Offices could accord approval for rural timber .

Similarly, some of the members said that problems might arise if the authority to approve timber for the renovation of Lhakhangs, Goendays, community bridges, schools, hospitals etc was handed over to the respective Divisional Forest Office. Therefore, the Ministry of Agriculture after considering the Kidu of the people, the policies of the Ministry and the Forest Act, could conduct a feasibility study and submit a report in the next session.

In order to fulfil the aspiration of His Majesty the King for the peace, socio-economic development and the needs of the people within a short span of time, the authority to approve rural timber could be entrusted to the Divisional Forest Office. The people were not in any way submitting for the authority to be handed over to the people.

The Trashigang and Samtse Dzongdags said that according to the authority to approve rural timber vested to the Dzongkhag Administration in the past few years, the rural people had been receiving the timber Kidu without any problem. There had been problems in some of the geogs as the construction of community schools and hospitals had to be stopped for a while due to the delay in obtaining timber approval. However, such problems could be solved if the people consulted the Dzongkhag Engineering Section

and estimated the requirement of timber before the construction. The Royal Government did not delay in sanctioning the required timber. The Forest Act and the Rules and Regulations would not be amended. Moreover, if the Divisional Forest Office was delegated with the authority to approve timber, it would be difficult to uphold the policy of maintaining a minimum of 60 percent forest cover at all times. Therefore, the authority for granting timber should altogether rest with the parent Ministry. However, in the larger interests of the people, the Ministry should consider granting approval for timber without any delay.

The Speaker said that although it was inevitable that some problems would be faced while implementing development activities in the country, inconvenience would not arise if timber was estimated according to the planned activities and submitted to the Ministry of Agriculture through the respective Divisional Forest Office. In case there was a delay in obtaining approval, the respective agency should accordingly work towards mitigating the problem.

The National Assembly resolved that the Ministry of Agriculture should consider the submissions made by the members and clear the applications for timber without delay. In case, the Minister was not available, second highest ranking official in the Ministry should be authorized to grant such approval. While the amendment to the Forest Act and the Rules and Regulations was not necessary, the authority to grant approval for timber would be exercised by the Ministry as before without having to be exercised by the Divisional Forest Office. The discussion on timber for rural construction concluded on 20 July, 2004.

18. Request for two sessions of the National Assembly annually

The people of Punakha Dzongkhag submitted that the National Assembly should be held twice a year so that pertinent issues of national interest and the enactment of various Chathrimis could be discussed.

Reiterating the submission made by the Punakha Chimi, the members of the National Assembly said that as the Assembly was held only once a year, the duration had to be fixed according to the length of the agenda. Since the duration was long, this was creating a problem for the ministers in carrying out their duties and responsibilities while the Dzongdags were out of station for a long time delaying the implementation of the planned activities in their respective Dzongkhags. Similarly, the people's representatives also started losing their interest in the deliberations. The long sitting of the Assembly was delaying the works in the geogs and villages, leading to many inconveniences. The summoning of the National Assembly twice a year would be beneficial to the members as well as in discussing issues of national interest including the enactment of various legislations without having to wait for one year.

Supporting the deliberation, many members said that the development philosophy of Gross National Happiness was an important entity for the welfare and benefit of the country and the people. To achieve the Gross National Happiness, it was imperative to submit any issues relating to the welfare and aspirations of the people to the Royal Government and to disseminate the policy and procedures of the Royal Government to the people. Therefore, it

would be befitting to conduct two sessions of the Assembly in a year.

Similarly, some of the members said that in line with the development of the country, plans and programmes had to be routed through the National Assembly. It was essential to conduct the National Assembly twice a year otherwise discussions on issues of national interest would be delayed. This would not only be detrimental to the credibility of the highest decision making body in the country but it would also be inconvenient to the people. However, in the event two sessions were held in a year, the visions of His Majesty the King could be fulfilled and the inconveniences faced by the ministries, departments, and the people would be solved.

Some of the members said that as per the aspirations of His Majesty the King, the Ministries and Departments were not only required to discuss plans and programmes but were also required to hold important meetings with the donor countries. As such, there was the problem of not being able to complete these tasks on time. According to the national plans and the policies, the activities would be implemented on time provided the National Assembly was convened twice a year. The Lhengye Zhungtshog, duly considering the difficulties being faced during the monsoon season, should decide on the convenient dates to convene the National Assembly.

Responding to the deliberation, the Prime Minister said that as per the command of His Majesty the King, the powers of the three branches of the government were separated. Since Bhutan was a country abiding by the rule of law, the roles and responsibilities of

the legislature were also increasing every year. Moreover, the National Assembly was an institution to approve the government policies and programmes and enact the legislations of the country. Since all government activities had to be executed as per the laws of the country, new legislations should be formulated and enacted each year. With the changing times, policies of the government passed by the Assembly had to be followed while participating in the United Nations and regional conferences. The responsibilities of the legislature had become increasingly important. Therefore, there was no problem with the government deciding to convene the Assembly twice a year as the government and the people had to strictly abide by the decisions of the National Assembly in carrying out any developmental activity. The creditability of the National Assembly would also be enhanced both within and outside the country in the event the National Assembly was convened twice a year.

Provided it was convenient, the duration of the Assembly should be fixed at a minimum of 10 days and a maximum of 15 days excluding the holidays and should be convened in spring and autumn seasons. Although there would be a slight increase in the expenditure, it would not pose any major problem to the government. Moreover, even if the expenditure increased, the advantages of having the policies and laws and other issues of national interest discussed and decided on time would have far reaching benefits to the government and the people. Therefore, the Royal Government fully supported the proposal to convene two sessions of National Assembly a year.

Some of the members submitted that the National Assembly should be convened without coinciding with the planting and harvesting seasons. Therefore, the sessions should be held in March and

September. The duration of the Assembly should also be fixed according to the volume of agendas for discussion.

Responding in the deliberation, the Finance Minister said that till now the National Assembly was being convened according to the Financial Year. However, it would create problems if the Assembly were held in March and September as suggested by the members. In case, it was decided to convene the Assembly twice a year, either the financial year would have to be changed or the Assembly would have to be convened in May.

Some of the members expressed their appreciation to the Royal Government for the submission on the benefits of conducting two sessions and bestowing full support of the government. It was important that instead of the individual members reflecting their convenience and problems, the sessions should be convened on the dates fixed by the government. Since it would be a problem to change the fiscal year, the National Assembly would be convened in May and December.

The National Assembly resolved that since there was no objection from the government, the National Assembly would be convened twice a year starting from the 83<sup>rd</sup> session. In the meanwhile, the Lhengye Zhungtshog would study the implications of changing the timing on fiscal year and inform the National Assembly. The deliberation on the Request for two sessions of the National Assembly annually concluded on 20 July, 2004.

19. Request for TA/DA benefits to community leaders

The people of Punakha Dzongkhag acknowledged that the Royal Government had been paying monthly salary to the Gups, Mangmis and Geog Clerks. Moreover, appropriate TA/DA to the community leaders while travelling to Dzongkhag Administration and District Court of Justice for official purposes would be beneficial.

When the National Assembly deliberated on the issue, the Punakha Chimi said that His Majesty the King considering the welfare of the people had granted monthly salary and other benefits to the community leaders. However, the Royal Government was requested to consider appropriate TA/DA while travelling to the Dzongkhag Administration and District Court of Justice for official purposes.

The members expressed their appreciation for paying one month's salary every year as compensatory allowance besides TA/DA to the Gups and Mangmis while they were summoned to the Dzongkhag and District Court of Justice on the orders of the Royal Government. The Geog Clerks performed crucial responsibility and were constantly involved with the Gups in planned activities of the Geog. Therefore, the possibility of providing reasonable increment to the Clerks similar to the Gups and Mangmis should be considered. Although, the National Assembly Members were provided with TA/DA commensurate to their responsibilities, timely enhancement of the entitlements should also be considered.

Some of the members said that the lecture fee of Nu. 1,000 being paid to them for disseminating the resolutions of the National Assembly should be revised. It was suggested that the lecture fee

should be paid either on the basis of number of geogs or proportionate to the size of geogs. The Committee Members should also be provided with accommodation and proper security arrangements.

The Prime Minister said that the community leaders had been assuming greater roles and responsibilities ever since the beginning of the planned economic development in the country. The community leaders had been shouldering wide range of responsibilities relating to the developmental works as per the decentralization policy under the dynamic leadership and farsighted vision of His Majesty the King. Since Bhutan was a developing country relying heavily on donor assistance, the Royal Government had not been able to provide timely increment of the entitlements.

The Royal Government had increased the salary and travelling allowances for the community leaders in 2002. The sitting fees for the DYT and GYT members had been increased from Nu. 150 to Nu. 200. When the Gups, Chimis and Geog Clerks travelled to Thimphu to attend the annual conference and other important official meetings, the Chairman and the Dy. Chairman were paid Nu. 400 per day.

After the annual conference 2004 of the Chairmen and Deputy Chairmen, the entitlements were increased following the decision of the Lhengye Zhungtshog. The daily allowance of Nu. 150 was increased to Nu. 300 and riding pony allowance of Nu. 250 was paid for travelling to the areas where there were no motor roads. Similarly, the daily allowances and riding pony allowances had been standardised at Nu. 300 and Nu.250 respectively for the Chimis,



Gups, Mangmis and Geog Clerks while travelling within the Dzongkhag to attend meetings organised by the district courts, ministries and departments.

The annual conference of the DYT Chairmen in 2004 had submitted for separate entitlements for the Chairmen and Deputy Chairmen. This issue was submitted to the Lhengye Zhungtshog by the Ministry of Home and Cultural Affairs. It was hoped that an appropriate entitlement would be fixed and finalized in August, 2004.

Moreover, the Tshogpas and Chipons were paid daily allowance of Nu. 100. While travelling allowance of Nu. 100 were paid where there were no motor roads, actual bus fare was paid for official travel to the district centres. Since 2002, the Gups and Mangmis were paid monthly salary of Nu. 6,000 and Nu. 4,500 respectively. However, the Gups and Mangmis were not paid allowances when they travelled in their respective geogs till now. As resolved in the annual conference 2004 of the DYT Chairmen and Deputy Chairmen, the Council of Ministers has approved a lump sum annual allowance of Nu.6,000 for Gups and Nu. 4,500 for Mangmis.

Till now there was no standard system of paying daily allowance and travelling allowances for attending Dzongkhag Yargay Tshogdu. However, the daily allowance and sitting fee had been made uniform. Regarding the discrepancy in the payment of lecture fee for disseminating the Assembly resolutions, the Council of Ministers had approved payment of Nu.1,000 per Geog as lecture fee.

The Speaker on behalf of the National Assembly expressed his appreciation to the Royal Government for recognising the important

role played by the community leaders and enhancing the daily allowance from Nu.250 to Nu.300 and payment of Nu.1,000 per Geog as lecture fee to the National Assembly Members.

The National Assembly resolved that the Council of Ministers should make the entitlements of the community leaders uniform and finalise it within August 2004. The deliberation on Request for TA/DA to the community leaders concluded on July 20, 2004.

## 20. Misuse of power

The Thimphu Municipality sought clarification on the responsibility of checking misuse of power for personal gains while exercising the powers specified in the Dzongkhag Yargay Tshogdu (DYT) and Gewog Yargay Tshogchung (GYT) Chathrim.

During the deliberation, the representative of Chang and Kawang said that the Royal Advisory Council was vested with the responsibility of evaluating the effectiveness and outcome of the decentralisation policy initiated by His Majesty the King. The Royal Advisory should execute their responsibility with greater vigour. Since no mechanism was specified in the DYT and GYT Chathrim to check on the misuse of power, questions were raised on fixing the responsibility to check the misuse of power in the future.

In support, some of the members said that the three branches of the government should jointly combat corruption. Laws had been the foundation of peace in our country. Therefore, if all the people respected and abided by the law, misuse of power would be controlled. While affecting the developmental activities, misuse of

power would also impair the authority of three branches of government unnecessarily inviting criticism from outside.

Some of the members submitted that based on the report of the Royal Audit Authority, the judges should administer proper judgment on the misuse of power depending upon the seriousness of the report. It was hoped that there would not be any case of misuse of power in the Council of Ministers and Lhengye Zhungtshog. While the representatives of the geogs were elected as per the DYT and GYT Chathrim 2002, it was necessary to monitor that the elections were being carried out as per the Chathrim to prevent the misuse of power.

The Prime Minister reported that the Royal Government had formulated Rules of Procedure to facilitate in the implementation of DYT and GYT Chathrim 2002 and to check the misuse of power. The Rules of Procedure also included provisions on the code of conduct, ethics, bribery and imposition of penalties. A disciplinary committee would be constituted under the rules of procedure.

Moreover, any case of misuse of power in the DYT and GYT were submitted to the government by the Dzongdags through the respective DYT. The Bumthang Chimi said that although the representatives of the people were elected adhering to proper election process, it was not being observed in some of the geogs. While it was the responsibility of the people to rectify and check the misuse of power, the people were also empowered to any member violating the laws.

The Speaker reminded the House that the misuse of power by members of the Lhengye Zhungtshog would be dealt with according to the Lhengye Zhungtshog Chathrim. While the misuse of power by the civil servants was dealt in accordance with the Civil Service Rules and Regulations, DYT and GYT Chathrim 2002 would be enforced in case of misuse of power in the DYT and GYT.

The National Assembly resolved that the National Assembly Members must monitor and check the misuse of power at the Geog level as per the Chathrim while the Dzongdag should check such cases at the Dzongkhag level and submit the report to the government. Although, the responsibility to monitor whether the ministries and departments were working as per the Chathrim and resolutions of the National Assembly at the national level was mandated to the Royal Advisory Council as per Chapter 4 of the RAC Chathrim, it had not been very effective till now. Henceforth, the Zhung Kalyon and the Royal Advisory Councillors must execute their responsibilities as per the Chathrim and present a report to the House. The deliberation on the misuse of power concluded on July 22, 2004.

#### 21. Retirement benefits to old Lams and Lopens

The people of Bumthang Dzongkhag submitted that the Royal Government should grant retirement benefits to all lams and lopons who are without any other means to lead a respectable life in old age after their retirement.

During the discussion on this issue, the Bumthang Chimi and some of the members said that lams and lopons devoted most of their time

in the service of the Dratshang. It was the general understanding that many former lams and lopons faced difficulties to lead a respectable life on their retirement. Unlike other employees, they were not entitled to retirement benefits and did not have any other source of income to make their living. The Royal Government was according priority to the development of religious community. However, the young people were not encouraged to join the monastic establishment since there were no retirement benefits in the monastic body. Therefore, it was imperative for the members to arrive at a suitable decision to mitigate the problem.

A Royal Advisory Councillor and some members said that although the Royal Government was facing financial constraints, the senior lams and lopons should be granted retirement benefits at par with the retiring civil servants since the retiring lams and lopons live in retreats and religious meditation centres in remote places for the well-being of country, people and the sentient beings. Moreover, some of the old lams and lopons aged 60-70 years were performing prayers and rituals in Lhakhangs and Goendeys. The Ministers also supported that old and retired lams and lopons should be provided with retirement benefits to enable them to lead a respectable life after their retirement.

The Yangbi Lopon said that besides the Rabdeys, the central monastic body was conducting regular offerings, Bumdey, Sungchoe and Kurims for His Majesty the King and the Royal Government for several days each year. In January 2003 to July 2004 alone, the monastic body performed funeral rites of more than 1,705 cremations. The Royal Government and the people had been supporting the monastic body with great respect. However, since the

monk body were required to perform regular religious performances and other important rituals, it was impossible for them to extend religious services to the people.

Further, regular religious performance and Kurims were being performed inside the Dzong, yet the monks received very little fees, not enough for saving. Since they were not entitled for retirement benefits, the number of people joining the monk body were declining. This would affect the performance of important religious rites and Kurims. Even if it was not possible to provide the retirement benefits at par with the civil servants, the Royal Government and the people should introduce a suitable scheme.

The Speaker noted that while there were many members supporting on the issue, the central monastic body also made the clarification. Since the National Assembly was not able to decide on this matter, the Prime Minister was asked to appraise the Assembly on the position of the Government.

The Prime Minister said that the Dratshang helped flourish the Buddha-Dharma in the country and achieve the development activities as per His Majesty's vision. Although the retirement benefits to the monk body was essential, the government was unable to provide due to financial constraints. Moreover, developmental activities could not be widely covered in the rural areas due to financial constraints.

However, the Royal Government should make a detailed study on the issue in close consultation with the Dratshang Lhengtshog and a suitable decision taken by the Lhengye Zhungtshog without having it

to be submitted in the National Assembly. While this issue was raised in the past sessions of the National Assembly, it was not possible to provide retirement benefits at par with the civil servants. However, the Royal Government would work out a convenient arrangement to accord retirement benefit to the retired lams and lopons.

The Speaker said that being a Buddhist country, it was an auspicious sign that the government and the people had full faith and trust in the monastic body. However, it was important to carry out a detailed study on the possibility of providing retirement benefits to the retiring lams and lopons. As suggested by the Prime Minister, the Ministry of Home and Cultural Affairs in close consultation with the Dratshang Lhentshog should carry out a detailed study and submit the report to the Lhengye Zhungtshog for suitable arrangement.

The National Assembly resolved that the Ministry of Home and Cultural Affairs in close consultation with the Dratshang Lhentshog should undertake a detailed study on the issue of granting retirement benefits to old lams and lopons and submit the report to the Lhengye Zhungtshog for approval. The deliberation on Retirement benefits to old Lams and Lopens concluded on 22 July, 2004.

## 22. Ration and vegetable allowance for Goendeys and Gomdeys

The people of Bumthang Dzongkhag submitted that the Royal Government should consider providing ration and vegetable allowance to the Gomchens and Anims residing in Goendeys and Gomdeys since they were involved in promoting the Buddha Dharma, taking care of the Lhakhangs and Goendeys and attending

to the needs of the people. This providence would extend patronage to the spread of Buddha doctrine and support the sustenance of our sacred Lhakhangs.

Deliberating on the issue, many members highlighted that even though Rabdeys and Dratshangs were well established in the Dzongkhags, the people confronted problems due to shortage of monks to perform religious rites in the rural areas. Although Gomchens and Anims were residing in the Goendeys in the past, the Goendeys were becoming vacant with the changing times and lack of essential provisions. As a result, there was the risk of decrease in the people promoting Buddha Dharma. Therefore, the Royal Government should consider providing ration and vegetable allowance to Goendeys and Gomdeys in the country.

The National Assembly resolved that since it was not proper for the National Assembly to take an adhoc decision without thoroughly analysing the matter, the Ministry of Home and Cultural Affairs and the Dratshang Lhengtsog should jointly study on this matter and accordingly submit a report to the Lhengye Zhungtshog for appropriate decision. The deliberation on the Ration and vegetable allowance to Goendays and Gomdeys concluded on 23 July, 2004.

### 23. Revision in land compensation

The people of Bumthang Dzongkhag submitted that the compensation paid by the government to the people at the rate of Nu. 5,000 per acre for Pangzhing acquired by the government was inadequate. The compensation rate should be increased taking into consideration the present increase in land price.



The Bumthang Chimi and some other members said that land was the only source of sustenance to the farmers. Some farmers holding 25 acres of land were facing problems as the Pangzhing were converted into forest and if it exceeded 12 years with out cultivation, agricultural activities would not be possible. Therefore, the government should either provide substitute land or increase the present compensation rate of Nu. 5,000.

The BCCI Chimi said that despite the justification on the revision of land compensation, the rate was not increased following the command of His Majesty the King during the past session of National Assembly considering the benefit of the rural people. His Majesty the King had said that in case the price was revised, the people would have to purchase the excess land from the government at the increased rate. As the re-survey of land was underway, it was imperative to consider the implication of increasing the compensation rate for Tseri and Pangzhing.

The Minister for Agriculture informed the House that the existing land compensation rate would be maintained till the completion of land re-survey in the 9<sup>th</sup> plan as decided in the 81<sup>st</sup> Session. The land compensation rate would be implemented after conducting a detailed study as per the decision of the Lhengye Zhungtshog in 1996. As submitted by the BCCI Chimi, the increase in land compensation would pose problem to the people with excess land. Moreover, while the registration of new Sathram in Zhemgang and Samdrup Jongkhar was not completed, the increase in land compensation would burden the people of these Dzongkhags. Therefore, the compensation rate should be retained as per the resolution of the 81<sup>st</sup> Session.

The Speaker said that the Assembly was aware of the resolution on the cost of excess land during the 81<sup>st</sup> Session. As the re-survey of land was still underway in some of the Dzongkhags, the increase in land compensation rate would benefit most people while others would face the problem of not being able to pay for the excess land. The National Assembly resolved that as it was not possible to increase the land compensation for the time being, cost of excess land would be retained till the completion of the Ninth plan as resolved during the 81<sup>st</sup> Session. The deliberation on the Revision of land compensation concluded on July 23, 2004.

#### 24. Acquisition of land

The Thimphu Municipality submitted that as per the decision of the 176<sup>th</sup> Lhengye Zhungtshog, anyone holding land at other places when the government acquired private land, substitute land would not be provided. However, if no other land was being owned, substitute land would be provided. Since this provision would cause problem in the future, the Minister for Works and Human Settlement should clarify on this issue.

Some of the members said that when the Royal Government acquired private land, substitute land was not provided and the compensation paid for the land was also very low. This had greatly affected the lives of the people. Moreover, it was imperative to consider the benefits of the people while the government provided substitute land on the isolated barren land in lieu of their land in the prime areas. The Royal Government and the Lhengye Zhungtshog

should amend the Chathrim relating to private land being acquired by the government so that the land compensation was fair and equal.

In response, the Minister for Works and Human Settlement said that the issue of acquisition of private land by the government had been submitted by the people of Chang Geog and discussed in the 74<sup>th</sup> Session of the National Assembly held in 1996. Accordingly, the National Assembly had amended the Land Act to comply by the rules formulated by the Lhengye Zhungtshog. Moreover, the increase in land compensation during the 81<sup>st</sup> Session was resolved to be decided by the Lhengye Zhungtshog. Likewise, it was also decided to increase the land compensation as per the decision of the 176<sup>th</sup> Lhengye Zhungtshog and the resolution of the 74<sup>th</sup> Session.

The handbook released in 1996 on land compensation rate not only contained procedures for compensation of land in towns and geogs but in case the government required any private land, it would be verified whether the landowner possessed any land in other geogs and towns. If no other land was owned, substitute land would be provided in the new township for the construction of a house according to the Royal Edict issued by His Majesty the King. Although substitute land was not provided in case the owner had land in other places, the government acquired private land when required and when there was shortage of government land as per section KA/6-9 of the Land Act. The government was acquiring the private land only for the benefit of the town residents.

An explanation was provided on the towns of Trashigang, Ranjung and Khuruthang. As per the command of His Majesty the King for the ultimate interest of the people, a plot was provided free of cost in

the new township along with land compensation to the people when the government acquired private land.

Although there would be some inconveniences in adhering to the Lhengye Zhungtshog rules and regulations, there would not be any problem in implementing as per the provision under section KA/ 6-9 of the Land Act. According to the land pooling procedure, the government need not acquire private land for the city corporation. Therefore, while there was no requirement for any changes, amendments would be affected in case there were inconveniences in the future.

A Royal Advisory Councillor along with some of the members submitted that it was appropriate to abide by section KA/6-9 of the Land Act. Moreover, since not more than 25 acres of land could be owned in the villages, the land substitute should be provided as per the Land Act. For the interest of the people, problems of impediment should be avoided till the completion of the work.

When land was provided only for a house construction after the government acquired one or two acres of land from the poor people, the compensation paid was not even enough to buy a house. Therefore, proper measures should be adopted for the welfare of the people. It was imperative for the Assembly to resolve whether section KA/6-9 of the land Act or the decision of the 176<sup>th</sup> session of the Lhengye Zhungtshog should be followed.

In the event the government required to acquire land after receiving kidu land from His Majesty the King, arrangement should be made to provide substitute land by the DYT, GYT and the Dzongkhag

Administration. If it was possible, decision should be taken as per the section KA/6-9 of the Land Act as submitted by the Minister for Works and Human Settlement. If not, the Gups and Chimis would be permitted to participate in the committee.

The Prime Minister said that as per the resolution of the 74<sup>th</sup> Session in 1996 after deliberating on the land compensation, the Department concerned would form a committee of experts and carryout detailed study on the situation in the rural and urban areas, following which the Lhengye Zhungtshog should take appropriate decision.

The committee would conduct a detailed study on the consonance of the Land Act and the Lhengye Zhungtshog rules and regulations, the difficulties faced by the people and the basis of fixing land compensation. It was hoped that the difficulties of the people would be adequately resolved. In the event that the Lhengye Zhungtshog did not come up with amicable solution, a report would be submitted in the 83<sup>rd</sup> session of the Assembly.

The National Assembly resolved that superseding the cases before 2004, the public land in the town areas, required to be acquired by the government from 2004 would be compensated and land substitute provided as per the decision of the committee. Members from the municipality should also be included in the committee and a report should be submitted for deliberation in the 83<sup>rd</sup> session of the Assembly. The discussion on the Acquisition of land by the government concluded on July 23, 2004.

25. Promoting cash crop market in Bhutan

The people of Bumthang Dzongkhag submitted that the Royal Government should conduct a study to promote cash crop market in Bhutan for the benefit of the farmers. Moreover, additional auction yards should be established and explore potential markets in the neighbouring states of India and other countries.

The people's representative of Bumthang said that the Ministry of Agriculture had enhanced the agriculture productivity through scientific innovation to achieve the objective of food self-sufficiency for 80 percent of the Bhutanese people depending on agriculture for their livelihood. Therefore, the Royal Government should endeavour to enhance the cash crop market for Bhutan.

Some of the members said that due to limited number of auction yards to sell the agriculture produce in the country, the auction dates were postponed causing unnecessary inconvenience often resulting in selling the produce at low prices. A cold storage facility was required to store the agriculture produce for a longer time and to sell the agriculture produce at all times. Moreover, as the people tend to lose interest in farming, the Royal Government should explore the possibility of expanding the cash crop market not only in India but also in other countries for better earning by the farmers. The income of the farmers would increase if the market were opened for cereals, cash crops and handicraft products.

The Minister for Agriculture informed the House that the efforts of the Royal Government to increase the yield of crops, transporting cash crops to the nearest road-head within the fastest time possible

and expansion of cash crop markets within the country was as per the expectations of the people. The generation of income in the country through electricity and cash crop were the fundamental priority of the Vision 2020. Therefore, in 2003 alone, cash crops worth Nu.683.42 million were exported. The Royal Government had spent a sum of Nu. 6 million and Nu. 2 million to buy equipment and pesticides to increase the cash crop yield in 164 geogs respectively.

While the machine (SILO) to preserve maize corn established in Pemagatshel and Mongar was found effective, it would be introduced in other Dzongkhags also. Efforts were being made to conserve the medicinal herbs, flora and *Shitake* mushroom (*Sangay Shamu*). Moreover, His Majesty the King considering the welfare of the people had commanded to legalise the harvesting of Yartsa Goenbub (*Cordeyceps*).

The Food Corporation of Bhutan would be revamped in consultation with foreign expertise to increase the cash crop markets. It was imperative to establish the auction yards after conducting a feasibility study of the location. Till now, the location, expertise and less manpower and many cash crop owners were also careless, which had caused some inconvenience. It was imperative for all the people to be fully responsible in increasing the agriculture produce with the support of the Royal Government.

The Speaker noted that the Agriculture Ministry should enhance the auction system in conformity with the international standards by increasing and improving the quality of agriculture produce considering the present and future benefits. There was a policy to explore the possibility of market in other countries by using the

organic seeds and fertiliser. Therefore, other countries appreciated the recognition of Gasa Dzongkhag as the model Dzongkhag. Even though there was only one auction yard in the eastern Dzongkhags which was causing inconvenience to the people, the construction of additional auction yard would require feasibility study and availability of fund.

The National Assembly noted that out of 79 percent of the Bhutanese people depending on agriculture, most of them were concentrating on enhancing the cash crop farming. However, they were facing hardships due to lack of cash crop market. It was resolved that the Royal Government should continue supporting the farmers and as submitted by the Agriculture Minister, feasibility study should be conducted on the establishment of a cold storage facilities and auction yards in the country. The Ministry of Agriculture in cooperation with the Ministry of Trade and Industry should explore potential markets not only for agricultural produce but also textiles and other products from rural places. It was also resolved that the Agriculture Ministry should continue to plan and explore new markets for domestic cash crops. The deliberation on Promoting cash crop market in Bhutan concluded on 26 July, 2004.

#### 26. Purchase of excess land

The Thimphu Municipality submitted that people of the two geogs falling under urban boundary were allowed to purchase the excess land. However, the people of three villages under Chang and Kawang geogs were not allowed to purchase the excess land. Therefore, the people of the two geogs should be allowed to purchase the excess land.



When the land in all the Dzongkhags were surveyed as per the resolution of the 58<sup>th</sup> session of the National Assembly, the private land of the residents of Jungzhina and Changtagang falling under the municipality were allowed to be purchased by the excess land owners on square feet basis. The villages of Ladrong, Ludrong and Zilukha under Chang and Kawang geogs were also included under the urban area in 1994. While the people had approached the Dzongkhag and the organization concerned for the purchase of the excess land, their submissions were not considered. Therefore, the Royal Government should constitute a committee and adopt a standard practice that would apply impartially to all the people under the same Geog.

Some of the members said that with the rapid changes taking place with the development of the country, all the Dzongkhags would face the problem of excess land. Therefore, it was important to adopt proper and uniform measures to mitigate the problem. The problems of not being able to purchase the excess land when the land in the two geogs was included under the urban area were attributed mainly to the people involved in implementing the government policy. While the City Corporation should be made more responsible to oversee the welfare of the people, the procedure for submitting agenda to the National Assembly was a necessity under the prevailing circumstances. Since Thimphu Municipality was larger in size without much supervision, surveillance inspectors should be deployed to supervise the area.

The Minister for Works and Human Settlement said that the villages of Lhadrong, Ludrong and Zilukha were included in the urban area

in 1994. During the land resurvey conducted in 2000 and 2001, the grievances of the people were submitted in the Lhengye Zhungtshog. The Royal Government, after detailed study had observed that the purchase of excess land was not admissible as per the resolution of the 58<sup>th</sup> session of the National Assembly. However, in case of wetland, the people could buy the excess land, provided the boundaries and the number of terraces in the paddy field were clearly mentioned in the Sathram as resolved in the 74<sup>th</sup> session of the National Assembly. Further, the excess land was required to provide urban amenities like road and water reservoirs.

Although Khepnying was eligible for the purchase of excess land, it was difficult to differentiate between Khelnying and Khelsarp. Therefore, it was difficult to allow the purchase of excess land as per the resolution of the National Assembly and the Land Act. Since there were not many cases pertaining to excess land, it would be fitting for the National Assembly to adopt appropriate measures. The people of Chang had submitted applications to the Thrompon to go ahead with the urban development plan in lieu of excess land. Moreover, since the people had recognised land pooling as one of the planning tools of urban development it would not be considered as acquisition of land. Henceforth, the Thimphu Municipality should submit the agenda to the National Assembly through the Town Committee and the Ministry of Works and Human Settlement. As a Chathrim had been drafted covering all the urban areas in Thimphu, there was no requirement to deploy surveillance inspectors in the town at this stage.

The representative of Thimphu Municipality submitted that His Majesty the King had commanded to abide by the Land Act till the

land survey in all the Dzongkhags were completed. The resolution of the 58<sup>th</sup> session of the National Assembly and the Land Act did not specify whether the excess land included in the urban area could be purchased. Therefore, considering the welfare of the people, the Royal Government should differentiate between Khelnying and Khelsarp and adopt a uniform system for the purchase of excess land by the people.

The National Assembly resolved that the Ministry of Works and Human Settlement, the City Corporation and the Department of Land Records should constitute a Committee to conduct detailed study on the Khepnying and Khelsarp and submit the findings to the Lhengye Zhungtshog for final decision. The deliberation on the Purchase of excess land concluded on 26 July, 2004.

27. Construction of house on wetland and orchard

The people of Thimphu Dzongkhag submitted that the Royal Government should accord approval to construct houses on their wetland and orchards.

During the deliberation on this issue, the people's representative of Thimphu said that the people in the rural areas possessing only wetland had no other land to construct their houses. While it had been enshrined under KA/3-3 of the Land Act that any activity could be carried out in the legally registered land, the authorization to construct houses was not mentioned. Moreover, the Lhengye Zhungtshog had issued a separate circular prohibiting construction of houses on wetland in the villages. As a result, the people in the villages without dry land were facing lots of inconvenience.

Therefore, the Royal Government should categorise the construction approval of houses on the dry land and orchard.

Some of the members submitted that although it had been enshrined in the Land Act that the construction of houses on the legally registered wetland and orchard was not permitted, some of the wealthy and influential people had been violating the Act. To solve the problems faced by the people, the Act should be amended allowing all the people to construct permanent houses on the legally registered land. The approval to construct houses on the wetland was not specified in the Land Act. In the event that a household with only wetland and *Tseri* were not permitted to construct houses, they were compelled to do so due to lack of other land. Those who have constructed houses on the orchard without any approval should be penalised.

Some of the members submitted that the Land Act only specified the use of the land for any purpose on the registered land. It also stated that orchard could not be converted for other types of cultivation but without specific mention of house construction. Furthermore, the Land Act did not mention on the inclusion of orchard within the ceiling of 25 acres of land. However, there were instances of where people owning the orchard were converting their land for the construction of houses and schools. The members wanted to know as to which laws were being followed. When the population increased in the future, the people would face the problem of land shortage. Therefore, the orchard and the land ceiling of 25 acres should be reconsidered.

Some of the members said that although the government had restricted the construction of houses on the wetland till now, people had been carrying out such activities in violation of the laws. Therefore, even if the construction of houses were approved from now on, the people would suffer when higher level and influential people joined hands. It had been enshrined under Ka/3-10 of the Land Act that houses were not allowed to be constructed on the wetland unless land category was converted by conducting joint study by the Ministry of Agriculture and the Dzongkhag on the soil fertility and accessibility of water. Moreover, Sokshing and orchard within the ceiling of 25 acres had not been included under Ka/3-4 of the Land Act, 1979. However, some of the people were converting all of their land to orchard in violation to the laws while the others with only a decimal of land were required to conform to the laws. This matter should also be reconsidered.

Approval should be sought from the Ministry of Agriculture and the National Environment Commission to carryout developmental activities as per the policy of the Royal Government. However, the conversion of land into orchard had not been accounted and controlled. If the construction of houses were approved at this time, some of the people would even sell their orchard for construction of houses. While clarification should be provided on this issue, deliberation should take place on the inclusion of Sokshing and Tsamdro within 25 acres of land. Even if these issues were not resolved in the 82<sup>nd</sup> Session, a report should be submitted in the next session of the Assembly. However, if the issue on the ownership of the orchard was clarified, it required no further deliberation.

Some of the members said that 60 families in Wangdue Phodrang Dzongkhag owned only wetland registered in fathers' name. The people would face difficulties when the families expand in the future as they would not be allowed to construct houses on the wetland. Considering the welfare of the people without dry land should be permitted to construct houses on the wetland even if the Land Act required amendment. It had been enshrined under the Land Act that more than 25 acres of land could not be owned. However, as there were no laws to permit some people to own more than 25 acres of land, the issue should be seriously considered.

House was and is a basic necessity for all the people. Moreover, the size of the families would grow with the increase in population in the future. People without permanent houses would face the problem of shelter like the people in Punakha and Wangdue Phodrang without apple orchard, dry land and Tseri. As they had only the wetland, the Royal Government should accord approval for the construction of houses on their wetland.

The Minister for Agriculture informed the House that as per Ka/3-3 of the Land Act, orchard, wetland, Sokshing, Tsamdro and Tseri were not allowed to be converted for any other purpose including construction of houses. As per the command of His Majesty the King to amend the Land Act considering the welfare and inconvenience of the people, the Ministry of Agriculture would review the Land Act and submit it to the National Assembly for amendment.

The Minister for Works and Human Settlement said that as per the provision under KA/3-10 of the Land Act, the wetland would be converted notwithstanding the areas of wetland if included under the

urban planning. Moreover, provision KA/3-3 stated that orchard would not be converted to agricultural land including construction of houses even if the area fell under the urban planning. When the city expanded from Changtagang till Ngagpai Rongchu, the orchards would be sold illegally with the increase in land cost. Similar to the permission to convert wetland included under the municipality as per the provision KA/3-10 of the Land Act, amendment should be made to allow conversion of orchard for construction of houses.

Furthermore, in accordance with the requirement of the municipality, trees and flowers were planted alongside the roads and steep slopes to prevent floods and landslides. However, it had been enshrined under the Land Act that the land would not be converted. Therefore, the National Assembly should resolve this problem.

The Thimphu Dzongdag said that although only a few people owned wetland and orchard, the Land Act had prohibited the construction of houses. However, considering the welfare of the people, approval should be accorded to construct the houses to avert future problems. The orchard had not been included within 25 acres of land and the construction of houses had also been prohibited. However, some people were allowed to construct houses even when the land was not included in the urban planning as per the city plan while others in the villages were restricted from doing so. The issue should be reconsidered by looking into the convenience and welfare of the people.

The National Assembly noted that His Majesty the King had commanded to amend the Land Act as submitted by the Minister for Agriculture. It was resolved that the Land Act should be reviewed

allowing construction of houses on the wetland and orchard in the villages submitted to the National Assembly for amendment. The construction of houses on the wetland and orchard included under the municipality should be worked out as per the plan of the municipality. It was also resolved that until the amendment of the Land Act, the Land Act of 1979 should remain in force. The deliberation on Construction of house on wetland and orchard concluded on 26 July, 2004.

28. Establishment of a Committee for renovation and maintenance of Dzongs and Monasteries

The Punakha and Thimphu Dratshang submitted that a committee comprising of members from the Dzongkhags, Dratshang and DYT should be established for the maintenance and renovation of Dzongs, Lhakhangs and religious artefacts.

The Dratshang Representative said that it was imperative to protect and maintain the Dratshang, Dzongs and religious artefacts. Therefore, the Royal Government should establish a committee comprising of members from the Dzongkhags, Dratshang and DYT for the maintenance and renovation of Dzongs, Lhakhangs and religious artefacts in each Dzongkhag.

The Minister for Home and Cultural Affairs informed the House that the Home Ministry had been taking care of all the Dratshang and Dzongs since 1998. Moreover, the works for the maintenance and renovation of Dratshang and Lhakhangs in the Dzongkhags had been entrusted to the respective Dzongkhags as per the decentralisation policy.



When works of national importance like renovation of Dzongs was being carried out, it was always done in close consultation with the representatives of the Dratshang. As submitted by the Dratshang representatives, the Committee for the maintenance and renovation of Dzongs, Lhakhangs and Goendeys was expected to be established after reviewing the Rules of Procedure of the GYT and DYT.

The Yangbi Lupon said that the issue was submitted in the Assembly not for seeking any power for the Dratshang and gain profits, but with undiminished confidence to uphold the Buddha Dharma. Moreover, it would help in the proper utilisation of the fund committed by the Royal Government and carryout the activities with substantive results. The plan documents on the renovation of Dzongs during the 10<sup>th</sup> plan would be issued to the Dratshang. It was hoped that the fund committed by the government would be utilised properly and the renovation works carried out appropriately without delay.

The National Assembly Members said that if there was a representative of the Dratshang during the maintenance and renovation of Dzongs, Lhakhangs and Goendeys, the Protective Deities would not be defiled in the event of unveiling them. Moreover, it would help in safeguarding the religious artefacts. As the maintenance and renovation of Lhakhangs and Goendeys in the geogs were carried out by the respective geogs, the Dratshang were not aware of the problems being faced by them. However, a system should be formulated to carryout the works after verification in close cooperation with the concerned Dratshang authorities.

Some of the members said that as the fund committed by the government for the maintenance and renovation of the Dzongs was for the purpose of the Buddha Dharma, there was no doubt that the fund would be embezzled. However, in the event of corruption taking place with the changing times, the Royal Audit Authority should investigate the matter. Therefore, if a resolution was passed as submitted by the Dratshang Representative, the misappropriation of fund would be prevented. In case the responsibility to oversee the committee was not included in the Rules of Procedure, opportunity should be granted to raise the issue in the future.

The National Assembly noted that the committee on the maintenance and renovation of Dzongs would be established as submitted by the Minister for Home and Cultural Affairs. It was the responsibility of the Royal Audit Authority to investigate on the judicious utilisation of fund. It was resolved that prior to the implementation of the DYT and GYT Rules of Procedure, the fund for the maintenance and renovation of Dzongs should be allocated to the respective Dzongkhags and the DYT members and the Dratshang representatives should decide on the management system. The deliberation on the Establishment of a Committee for renovation and maintenance of Dzongs and Monasteries concluded on 28 July, 2004.

#### 29. Creation of new geogs

The people of Mongar Geog submitted that since Drametse and Mongar geogs had more than 540 and 500 households respectively with large population, it was very difficult to reach developmental activities in the rural areas. Since Narang village was located at

about four hours walking distance from the geog centre with 200 households, it should be separated from Drametse and a new Geog created. Similarly, the Mongar Geog had a problem of large number of households with huge population. Therefore, it was submitted for the creation of a new Geog comprising of Kilikhar, Wengkhar, Themnangbi, Takchhu, Konbar and Jaybab villages.

The Mongar Dzongdag said that considering the large population in the two geogs of Drametse and Mongar, it was felt necessary to create a new Geog. While implementing the planned programmes at the Geog level as per the decentralization policy, development activities could not be implemented equally in all the geogs and problems were also faced in completing the planned programmes on time. Moreover, people could not travel to Geog centre for meetings during the monsoon. Therefore, while the creation of a new Geog was necessary not only in Mongar but in other Dzongkhags also, a detailed study should be carried out in all the Dzongkhags and the possibility to create new geogs should then be considered.

The Minister for Home and Cultural Affairs said that due to the huge population and scattered settlement, it was difficult for the community leaders to travel in the geogs. Since many of the villages were located far away from the motorable roads, the Dzongkhag Administration and the communities faced difficulties. Therefore, in order to mitigate this problem, a programme for the creation of new geogs was started in 1998. Accordingly, some geogs under Mongar Dzongkhag had been bifurcated creating five new geogs of Ngatsang and Shermung, Mongar and Drepong, Tsakaling and Chali, Khengkhar and Jurmed and Drametse and Balam. However, similar to the submission of Mongar Dzongkhag, other Dzongkhags had also

applied for the creation of new geogs. However, it was delayed as immediate decision could not be taken.

Creation of new geogs in addition to the geogs which were already created in Mongar Dzongkhag in 1998, would not only necessitate to carry out detailed study regarding the community and its administration, demography, land area and adequacy of the existing facilities, but it would also entail comprehensive studies of the socio-economic development. Therefore, the Lhengye Zhungtshog had not yet been able to take a decision on this matter. However, a decision would be taken after considering all the factors.

The National Assembly noted that as submitted by the Minister for Home and Cultural Affairs on the creation of Narang Geog out of Drametse Geog and Wengkhari Geog out of Mongar Geog, five new geogs were created under Mongar Dzongkhag in 1998. The National Assembly resolved that the Ministry of Home and Cultural Affairs should conduct a detailed study on the implication of the creation of new geogs and submit a report to the Lhengye Zhungtshog for consideration. The deliberation on the Creation of new geogs concluded on 28 July, 2004.

30. Amendment to the Moveable and Immovable Property Act, 1999

The Legislative Committee of the National Assembly submitted that Chapter 2 Section 19 of the Moveable and Immoveable Property Act 1999, should be amended as per the decision of the 80<sup>th</sup> session of the National Assembly.

The Chairman of the Legislative Committee submitted that the draft Moveable and Immovable Property Act was submitted for endorsement in the 77<sup>th</sup> session. Section 19 of the Act, which stated “*If the yearly rate is not stated,...*” was amended as, “*However,...*”. However, it was printed as “*If not,...*”. Therefore, according to the resolution of the 80<sup>th</sup> Session, the legislative committee and the representatives from the Finance Ministry decided that Section 19 should read as “*Whenever interest is, by the terms of any written agreement or written contract, made payable at a rate or percentage expressed per day, week, month or at any rate or percentage for any period which is less than a year, the contract must also contain an express statement of the yearly rate to which the stated rate is equivalent. **However, the rate of interest will be the stated nominal rate subject to a maximum of 15% per annum as per Section 17(1) for the period and no compounding will be permitted***”. While a copy of the changes was distributed to all the members, the National Assembly was requested to endorse the amendment.

Supporting the deliberation, the Finance Minister said that although it had been clearly mentioned in Section 17(1), it would not be of any harm to incorporate the amendment in Section 19. Moreover, all registered and licensed financial institutions involved in granting loans were protected under Section 17 while other issues would be dealt with according to Section 17(1) of the Act.

As there were no members raising any objection to the amendment, the National Assembly endorsed the change in Section 19 to read as “*Whenever interest is, by the terms of any written agreement or written contract, made payable at a rate or percentage expressed per day, week, month or at any rate or percentage for any period which*

*is less than a year, the contract must also contain an express statement of the yearly rate to which the stated rate is equivalent. However, the rate of interest will be the stated nominal rate subject to a maximum of 15% per annum as per Section 17(1) for the period and no compounding will be permitted*". The Assembly resolved that the amendment would not affect the registered and licensed financial institutions involved in granting loans in any way. The deliberation on the amendment to Moveable and Immoveable Property Act, 1999 concluded on 28 July, 2004.

31. Additional Clause to the Biodiversity Act of Bhutan

The Ministry of Agriculture submitted for additional provision that would explicitly empower the framing of rules and regulations under the Biodiversity Act of Bhutan 2003.

Speaking on the issue, the Minister for Agricultural said that although the Biodiversity Act of Bhutan was passed in the 81<sup>st</sup> session of the National Assembly, a clause for empowering the Ministry for framing of rules and regulations was not included as in other Acts. Since problems might arise while implementing the Act, a Clause on the framing of rules and regulations should be incorporated in section 49 which should read "*The competent authority shall have the powers to formulate rules and regulations for the implementation of this Act*". A copy of the proposed amendment was distributed to all the members for endorsement.

In support, the Chairman of the legislative committee said that as reported by the Agriculture Minister, the legislative committee and the representatives of the Ministry of Agriculture had discussed and agreed to amend the Act. During the discussion, questions were

raised that all previous Acts which were endorsed by the National Assembly contained the provision to frame Rules and Regulations. Therefore, it was important that an additional provision empowering the framing of rules and regulations should be incorporated in the Biodiversity Act of Bhutan.

Since the members raised no objection to the amendment, the Assembly endorsed the provision, explicitly empowering the framing of rules and regulations under the Biodiversity Act of Bhutan, 2003. The clause would read "*The competent authority shall have the powers to formulate rules and regulations for the implementation of this Act*". The deliberation on the Additional clause to the Biodiversity Act of Bhutan concluded on July 28, 2004.

## XVI. ENACTMENT OF ACTS AND RATIFICATION OF CONVENTIONS

1. The National Assembly Committees Act of the Kingdom of Bhutan, 2004

The Chairman of the Legislative Committee submitted on the need and background of the National Assembly Committees Act 2004 to the house. The Chairman said that it was necessary to formulate the Act due to ever increasing functional roles of the National Assembly in view of the rapid development in the country and political maturity of the people as per the decentralization policy initiated by His Majesty the King. The establishment of committees as in other parliaments would not only enable the National Assembly to delegate its functions to the relevant committees and save time but would also enable the National Assembly to achieve the goals and

objectives of the nation and the people effectively without wasting time.

In order to achieve the objectives, the 81<sup>st</sup> session of the National Assembly resolved to establish few committees keeping in line with the development of the country and the needs of the changing times. Therefore, a National Assembly Committees Act encompassing all the Committees was submitted in the 82<sup>nd</sup> Session for endorsement. The preliminary draft was prepared by the Assembly Secretariat after thorough research and reference. The draft Act was extensively discussed in a three-day workshop conducted by the Secretariat where senior officials and professionals from various ministries and departments had participated. The draft Act was further reviewed by the Legislative Committee in light of the present and future interests of the country. The house deliberated on each provision and clarification on any issues on the draft Act was provided by the Legislative Committee. It was also resolved that the members must submit their written opinions regarding the establishment of standing committees and the membership to the National Assembly Secretary if it were to be finalized before the conclusion of the 82<sup>nd</sup> session of the National Assembly. The house passed the National Assembly Committees Act 2004 on July 30, 2004 with the following amendments;

In the preliminary provision on page number 1, '*Bill*' had been changed as '*Act*' which would be reflected in the definition of the terms accordingly.

Section 3 on page number 2 had been rephrased as "*The Legislative Committee shall be established on the standing order of the Speaker*"



*as per the resolution of the National Assembly on the motion raised by the members of the House”.*

Section 12 (1) page 6 had been rephrased as “*While the members to the select/ad hoc committees shall be appointed by the Speaker, the members of the Standing Committee shall be elected by the House. A Committee shall consist of five to seven members, whichever appropriate*”.

The members submitted that after the committee members were elected, the Chairman and Deputy Chairman of the Committee could be either appointed through consensus among the members or elected through secret ballot. Therefore, as submitted by the members, Section 51, sub-Section 4, under Chapter 10 on page number 19 was deleted.

## 2. The Tenancy Act of the Kingdom of Bhutan, 2004

The Minister for Works and Human Settlement in his presentation of the need and background of the tenancy bill said that the legislation was indispensable to keep pace with the changes and development taking place in the country.

The Lhengye Zhungtshog had directed the Office of the Legal Affairs to draft a Tenancy Bill in 2000. Accordingly, the Office of Legal Affairs carried out extensive research on the benefits it would have to both the parties during its implementation in all the 20 Dzongkhags. Since it was important to follow international system in the face of globalization, the Bill was drafted by referring to the Tenancy Acts of about 16 countries. A two-day workshop was also

organized to review the Bill where the landlords, tenants, community leaders, businessmen and officials from City Corporation and government agencies had participated.

The draft Act was submitted to the 245<sup>th</sup> Lhengye Zhungtshog for review and subsequently referred to the Legislative Committee for further review before it was submitted to the National Assembly for endorsement. The main objective of the draft Act was to streamline the house rent collection and payment, house rent increase, rights and obligations of landlords and tenants and fixation and settlement of disputes. The rent would be fixed based on the mutual and contractual agreement between the two parties.

The draft Act would cover the rents of both the private and government land and houses. In terms of land, it would cover the rent of the non- agricultural land. The rent of agricultural land would be covered by the Land Act, 1979.

The house engaged in extensive deliberation and incorporated the following changes in the draft Tenancy Act of the Kingdom of Bhutan 2004:

Section 34.3 under Chapter 9 was amended as “*Agreement means the agreement required by Section 6 of this Act*”.

Similarly “*Lease Agreement*” under Section 34.6 Chapter 9 had been amended as “*means the agreement required by Section 6.2*”.

The Tenancy Act of the Kingdom of Bhutan, 2004 was endorsed by the National Assembly on 30 July, 2004.

### 3. Road Act of the Kingdom of Bhutan 2004

The Minister for Works and Human Settlement presented the objective and background on the draft Act to the House. Road was necessary not only for the socio-economic development of the country but also for the security of the country. Therefore, the Royal Government had always placed priority on road construction right from the inception of the planned development.

The Road Act was necessary in order to expedite road construction and expansion works. The drafting of Road Act was initiated in 2001 by constituting a committee consisting of experienced and expert persons in road construction from both within and outside the country. The Road Act was drafted after thorough research of about nine related Acts of other countries. Subsequently, the draft Act was not only submitted to Lhengye Zhungtshog but was also thoroughly reviewed by the Legislative Committee before its submission to the National Assembly.

The objective of the draft Road Act was to ensure the safety of the travellers and to achieve the objectives of socio-economic development of the country. The draft Road Act empowered the Ministry, Departments and relevant organizations with the power and the responsibility in road construction and maintenance works, its proper utilization, participation of private sectors in road construction and maintenance and the prevention of road damage. Since there were no methods of transportation either by ship or railway, road was an indispensable means of transportation in the country. Therefore, it was hoped that the Chathrim would be endorsed after thorough deliberation.

The National Assembly after an extensive deliberation endorsed the Road Act of the Kingdom of Bhutan 2004 without any amendments on 02 August, 2004.

4. The Speaker's Act of the National Assembly of Bhutan, 2004

At the outset of the deliberation on the enactment of the Speaker's Act of the National Assembly on August 2, 2004, the Foreign Minister informed the house that the Prime Minister would submit the views and proposals of the Lhengye Zhungtshog on the Act and said that since the Prime Minister was not present, the deliberation on the Speaker's Act should be postponed by one day to be held on 3 August 2004. Consequently, the National Assembly postponed the deliberation on the enactment of the Speaker's Act to 3 August, 2004.

When the National Assembly deliberated on the Speaker's Act on 3 August 2004, the Prime Minister informed the house on the 8 point proposals of the Lhengye Zhungtshog. The essence of the proposals was that once the Constitution was enacted by the National Assembly, the Speaker's Act would be automatically repealed. Therefore, until such time, the Constitution was not adopted, it would be better to keep the enactment of the Speaker's Act in abeyance while retaining the existing Speaker's Act, 1996. Moreover, if the existing Act was to be repealed, the decision to deliberate on the new Act should be based on  $\frac{2}{3}$  majority of the members present as per section 1.4 of the Speaker's Act, 1996.

Supporting the submission on this issue, the Foreign Minister and the Samtse Chimi said that as the Speaker's Act of 1996 did not pose any inconvenience uptill now, the enactment of the new Speaker's Act should be suspended. However, in the event the National Assembly resolved to endorse the new Act, it should be carried out according to the submission of the Prime Minister and the provisions under section 1.4 of the Speaker's Act, 1996.

Some of the members submitted that if the respective Acts were not enacted before the launching of the Constitution, it would be difficult to enact relevant Acts when political parties were instituted with the launching of the Constitution. Most of the members reiterated that it would be appropriate to enact the Speaker's Act on its deliberation page-by-page.

The members of the Legislative Committee submitted that the National Assembly Secretariat had referred to the relevant legislations of around 12 countries before embarking on drafting this Act. The draft Act was submitted to His Majesty the King after having reviewed not only by the Constitution Drafting Committee but it was also thoroughly reviewed and revised by the Legislative Committee. Therefore, it was imperative to bear in mind whether or not to uphold the resolution of the National Assembly. Moreover, even if the Acts were enacted before the launching of the Constitution, the provisions of the Acts, which were inconsistent with the provisions in the Constitution, would automatically be repealed and the National Assembly had the full authority to amend such legislations. While the Lhengye Zhungtshog has submitted their views and amendment proposals in the Assembly, it was better for

the members to thoroughly deliberate on its benefits and detriments and subsequently consider enacting the Act.

Taking part in the deliberation, several members said that if the new Speaker's Act was required to be enacted by  $\frac{2}{3}$  majority of the members according to the provisions under section 1.4 of the Speaker's Act, 1996, many important Acts have been endorsed by the National Assembly in the past and the question of  $\frac{2}{3}$  majority has not arisen till date. Therefore, while deliberation on the enactment of the Act should be as per the resolution of the 81<sup>st</sup> Session, it was not necessary to cast vote. Some of the members submitted that despite the separation of powers between the three branches of the government in the past sessions of the National Assembly, it appeared that authority was still being exercised by the executive.

The Prime Minister informed the House that the Lhengye Zhungtshog was a forum to discuss important policies of the country and the people, and therefore the submission was only the views of the government in the Assembly without proposing for a definite postponement on the endorsement of the Speaker's Act. The executive branch has been respecting and recognizing the legislative branch. It was also very important for all the members irrespective of their status to uphold the resolutions of the National Assembly and in the event any member disregarding the resolutions, should be expelled.

Speaking on the issue, the Yangbi Lupon said that as Bhutan was a peaceful country, instead of dwelling on issues relating to personal benefits, it was important for the National Assembly to discuss on issues affecting the present and future well-being of the country and the people. Therefore, it was better that the Speaker's Act was

deliberated page-by-page instead of discussing on casting of votes for the enactment. Moreover, it was important for the members to extensively deliberate on the addition or deletion of any provisions during the enactment of the Act.

The Legislative Committee members submitted that while they had no reservation on the enactment of the Speaker's Act as per the views of the Lhengye Zhungtshog, it was important to consider whether the Acts would be endorsed in similar manner in the future.

The Foreign Minister said that the requirement of  $\frac{2}{3}$  majority of members to amend the Speaker's Act was not a new system. The provision of the Speaker's Act, 1996 clearly mentioned that the vote should be cast to amend the Act but this provision did not cover other Acts. However, there was every possibility for the emergence of a need for a voting system in endorsing the Acts in the National Assembly in the future.

The Speaker said that while majority of the peoples' representatives propounded that the draft Act should be endorsed without having to cast votes, the Lhengye Zhungtshog had repeatedly submitted for the Act to be passed based on  $\frac{2}{3}$  majority of the members. According to section 1.4 of the Speaker's Act, 1996, it was obvious that the submission made by  $\frac{2}{3}$  majority of the members could induce amendment but it was not mandatory to cast votes.

The National Assembly resolved to cast votes to decide on the enactment of the Speaker's Act. The draft Act would be discussed and endorsed if  $\frac{2}{3}$  of the members cast their vote in favour while  $\frac{2}{3}$  of the members casting their vote against would suspend the Act till the Constitution was launched. Out of a total of 150 National

Assembly Members, 143 members were present and 7 were absent while casting their votes to decide on the enactment of the draft Speaker's Act. 99 members voted in favour and 44 against the enactment of the new Chathrim. The National Assembly resolved to deliberate on the draft Act for enactment after obtaining  $\frac{2}{3}$  majority of the members. The deliberation on the enactment of the Speaker Act of the National Assembly, 2004, concluded on 3 August 2004.

Before deliberating on the enactment of the Speaker's Act of the National Assembly on 3 August 2004, the Chairman of the Legislative Committee submitted a brief summary of the background and objectives on the draft Act as follows:

Along with the strengthening of the political institution by the hereditary monarchs of Bhutan, the late King His Majesty Jigme Dorji Wangchuck established the National Assembly in 1953 as the highest decision making body to discuss important issues affecting the national laws and the policy of the government. The National Assembly was a forum to encourage people's participation in the decision making process and to strengthen the security of the country. Moreover, it was the responsibility of the Assembly to enhance the cardinal principle of the Gross National Happiness and the policy of decentralisation with the changing times for effective achievements of the vision of the fourth Druk Gyalpo His Majesty Jigme Singye Wangchuck. For that reason, the Speaker Act of the National Assembly, 2004, was submitted to the House for endorsement in the 82<sup>nd</sup> Session. However, it was subjected to secret ballot as per the submission of the Lhengye Zhungtshog. The Chairman of the Legislative Committee expressed the appreciation for voting in favour of the draft Act resolving to repeal the old Act.



The need and the objectives of this Act was to further strengthen the checks and balance within the three branches of the government. Although the checks and balance was exercised in the three branches of the government, the system should be effectively maintained for the welfare of the country and the people. As the Speaker was vested with important and heavy responsibilities, it was imperative that the conduct of the Speaker was made transparent with *Ley Jumdey* and *Tha Damtshi* without corruption. The Speaker shall not engage in discriminatory and personal activities or intimidate a member of the Assembly. Moreover, the Act would formalise the election procedures of the National Assembly Speaker and the Deputy Speaker.

The Constitution Drafting Committee conducted two rounds of review on the draft Act. The draft also incorporated the comments of the workshop participated by various ministries, Departments and legal experts. The Legislative Committee conducted three rounds of review meetings which effected timely deletion and addition of the provisions of the existing Act. However, it was submitted that the House would endorse the Act by examining both the existing and the new Chathrim.

During the deliberation on section 6, page 5, of the Act, the Prime Minister pointed out that the Oath of Allegiance of the Speaker ‘administered by one of the four lopons in witness of the Guardian Deities of the Pelden Drukpa’ would entail problems. The members must bear in mind that the Speaker’s candidature would be of different religious beliefs in the future.

The Zhung Kalyon and some of the members submitted that although the National Assembly had passed several important legislations till now, such unprecedented discussion like the enactment of the Speaker's Act has never occurred. The provision only stated that the Oath of Allegiance must be administered in witness of the Guardian Deities of the Pelden Drukpa and did not mention that the state religion of Bhutan should be followed. Therefore, it would not cause inconvenience in the future and the provision of the Act should be retained without being amended.

While deliberating on section 8, page 6, the Prime Minister on behalf of the Lhengye Zhungtshog said that if the Code of Conduct of the Speaker were discussed extensively with substantive resolutions, it would be of benefit to the Code of Conduct of the ministers as well. Despite the repeated submission by the Lhengye Zhungtshog that the new Speaker's Chathrim was not required, the Assembly decided to enact the Act. Therefore, the Lhengye Zhungtshog Chathrim, 1999, should also be amended. Moreover, the code of conduct of the ministers should be strengthened to make them more accountable in carrying out their responsibilities with the right conduct and motivation.

The Chairman and the Deputy Chairman of the Legislative Committee and the Bumthang Chimi said that as submitted by the Prime Minister, it was imperative to have a uniform Code of Conduct for the Speaker of the National Assembly and the cabinet ministers. Therefore, the Lhengye Zhungtshog Chathrim, 1999, should also be amended.

The amendments affected by the National Assembly on the Speaker's Act are:

In the second line of the first para under the preliminary, the phrase 'the Speaker of the Legislative branch' has been amended as 'the *National Assembly* Speaker of the legislative branch'.

The section 2(1) 'The National Assembly shall elect the Speaker from among its members in accordance with the procedures adopted under this Act for that purpose' has been amended as "The National Assembly shall *nominate at least two candidates* and elect the Speaker from among its *elected members* in accordance with the procedures adopted under this Act for that purpose'

In section 3(1) under the Eligibility Criteria, the phrase 'natural born' has been deleted from 'be a natural born Bhutanese citizen' (Dzongkha version).

Likewise, under section 3(3), the phrase 'be capable of...' has been changed to, '*be proficient in both Dzongkha and English* capable of shouldering the...'

In section 5(6) under Election Procedure, the phrase "However, if there were just two candidates, they will not be allowed to withdraw their candidatures" has been added.

The provision under section 5(8) has been deleted.

The provision under section 5(13) has been deleted.

Likewise, in section 6(2), the phrase ‘The Oath shall be pledged *to* the Speaker’ has been amended as ‘the Oath shall be pledged by the Speaker’ in the Dzongkha version.

In section 10(1), the phrase ‘as the presiding officer of *the Legislature*’ has been amended as ‘as the presiding officer of *the National Assembly*’ in Dzongkha version.

The provision under 10(11) has been deleted.

Likewise, the provision under section 10(14) has been deleted.

In section 14(1), under the Deputy Speaker, the phrase ‘from among its members’ has been amended as ‘from among *its elected* members’.

In section 14(7), the phrase ‘upon the order of the Speaker’ shall read as ‘The Deputy Speaker *upon the order of the Speaker* shall perform duties of the chair in the temporary absence of the Speaker from the hall without any formal communication to the National Assembly’.

In section 15 under Salaries, Allowances and Privileges, the phrase ‘grade 1 civil servants’ has been amended as ‘*Secretary of the civil service in grade 1*’.

The Speaker commended the detailed debate through unprecedented checks and balances while deliberating the Speaker’s Act of the National Assembly, expressing his appreciation for the active participation and support by all the members.

As the Prime Minister had said that the provision under section 6(1) of the Oath of Allegiance, ‘the Guardian Deities of the Glorious Pelden Dukpa’, would have future repercussion, the National Assembly has amended the provision as ‘the Kasung Damchen Jamtsho of the Glorious Pelden Drukpa’, corresponding to the provision in the Lhengye Zhungtshog Chathrim. The Prime Minister along with the Chairman of the Legislative Committee and the Bumthang Chimi submitted that the Code of Conduct in the Lhengye Zhungtshog Chathrim, 1999, should also be revised. Therefore, in order to formulate a uniform code of conduct, a committee comprising of representatives from the Judiciary, the Office of Legal Affairs and the National Assembly would amend the Lhengye Zhungtshog Chathrim and submit during the 83<sup>rd</sup> Session of the National Assembly. It was also resolved that the related amendments would be incorporated in the Speaker’s Act. The deliberation on the enactment of the Speaker’s Act of the National Assembly, 2004, concluded on 6 August, 2004.

#### 5. The Bhutan Penal Code, 2004

While the National Assembly deliberated on the endorsement of the Bhutan Penal Code, 2004, the Chief Justice of Bhutan presented the background on the need to reform the Penal Code:

His Majesty the King had commanded to dispense justice speedily, exhaustively and without being too expensive in Bhutan. In order to achieve this noble vision, the judiciary embarked on institutional strengthening, procedural and legal reforms. The process was enhanced through the legal mandate enshrined under the Civil and Criminal Procedure Code. It was imperative to create a reliable, fair

and efficient justice system in a society governed by the rule of law. Due to the Court Procedure, the hearing system and the judicial process had been streamlined and made more efficient. The number of days needed to attend court by the litigants was also reduced while the repetitive submissions were avoided and the case argument made comprehensive. Therefore, the courts of justice were disposing off the cases in a much faster and efficient manner without compromising the quality of the judgment as there were only minimum appeal cases to the High Court.

Under the Royal Command of His Majesty the King in 1995, the High Court had started the drafting of the Penal Code, which was a consolidation of many Acts. The code was intended to reinstate the dignity to the victims of crime and increase the possibilities of reform and rehabilitation of the offenders. The code included the measures to de-criminalise and de-penalise the offences. It also reflected the cherished values of the Bhutanese people, the values to uphold the legal basis and the necessary behavioural changes required in the society.

The objective of the Penal Code was in Lord Buddha's words "For perpetuating good and chaste actions." The reign of His Majesty the King had been a period of glory, enlightened and human laws. Therefore, it was not retributive, but reformative and deterrence. It was the responsibility of the government to protect the people securing the cardinal principle of the criminal justice system that the guilty shall not escape and innocent not suffer. Moreover, punishment for crime was an inevitable result of one's commission of offence.

The objective of punishment was to prevent the crimes. However, the penalties should be known, pre-declared and be transparent so that no one would be punished unfairly. The offender should also be aware of its proportionate punishment. While the offender would be aware of his own actions, penalties would be fair. Awareness of the penalties and enumeration of comprehensive offences should deter crimes making the people to live in the civil society. With security, people would be happy and prosperous under the protection of law. The knowledge and awareness of the penalties would help the responsible authorities to improve and rectify the penalties. Judges would also be able to ascertain the interpretation and the mandate of laws. Moreover, as the government would be able to reform laws based on experience, any reform hereafter would be improved through amendments.

Furthermore, the code had specified the general principle of criminal liability and any affirmative action protecting the defendants, whereby proportionate punishment would be sought. The provision of alternative sentencing was a good basis for addressing reforms for the defendant. However, the provision on life sentence and enhanced sentencing were the constant reminders to the hard-core criminals and recidivists to protect the society and secure security for the public.

Legal words would be difficult to understand for those who did not seek to learn. The legal words incorporated in the code were not foreign words nor there were new words. As all the legal words in the Penal Code had Bhutanese legal terms from Dzongkha and Choekay, the legal vocabularies were neither less nor inadequate. The acceptance of the Bhutanese legal words would reduce the use

of foreign terms benefiting the country in the preservation and promotion of our culture, tradition and religion.

The Choekay terms in the code would help in promoting the religious values, ethic and morality. It had helped to bring the relation between homicide and taking life away, “*sok choepa*, theft and taking away that was not given *Majin pa Laenpa*, sexual offence is no different from *Miztangma choepa*. They denoted the same offence in different ways with the objective of punishment and eternal message for deterrence.

The Penal Code must serve the intended purpose of being the document of profound legal basis and reference. For any necessary amendments or improvement of the Code with time, experience and wisdom, cross reference for crimes and offences could easily be referred. Other Acts could easily draw cross reference from the code as the legal basis to specify any penal provision. There should be certain uniformity in language and the appropriateness of the word and its usage. The Penal Code, built upon the strong foundation of the edifice of justice, could inherently propel to uphold the magnificence majesty of law that would truly enlighten Bhutan.

According to Mipham Rimpochhe, “Good laws are the guardian and protector of the World; Hearing that it punishes the guilty would appease the good and frighten the evils; But hearing the escape of the guilty, it would cast doubts in the minds of good people.” Therefore, to realise His Majesty’s vision, it was imperative for the National Assembly to endorse the Penal Code of the Kingdom of Bhutan.



The National Assembly incorporated the following changes to the Penal Code of the Kingdom of Bhutan 2004:

Under Chapter 4, Section 32, the phrase, ‘suspend the sentence’ was amended as ‘suspend...*under the authority of His Majesty the Druk Gyalpo*’

Under Chapter 5, Section 45, ‘*against*’ was replaced in the phrase as ‘...*from the deceased victim*’s...’

Under Chapter 11, Section 146, the phrase, ‘*due to sickness*’ was added to ‘or the mother is of unsound mental condition *due to sickness*’

Under Chapter 13, Section 164, the phrase, ‘if the defendant unlawfully removes another person from a place of abode or business *and*’ was amended as ‘if the defendant unlawfully removes another person from a place of abode or business **or**...’ (in the Dzongkha version of the Code)

Under Chapter 14, Section 190, the phrase, ‘*each defendant*’ was added. Similarly, under section 194 and 196, the phrase, ‘***each defendant***’ was added.

Under Chapter 14, Section 201, the phrase ‘...if the defendant...’ was changed as ‘...***if any male or female*** defendant...’

Under Chapter 14, Section 208, the phrase, ‘the offence of...shall be misdemeanour’ was changed as, ‘the offence of...shall be *a petty* misdemeanour’ (in the Dzongkha version of the Code)

Under Chapter 23, Section 331, the following amendments were made under ‘A defendant shall be guilty of the offence of terrorism, if the defendant:

- (a) *With intent to subvert the state, uses, assists, recruits or trains another person to use a bomb, dynamite, fire-arm or other lethal weapons for terrorists activities; or*
- (b) *Participate in financing, planning, or preparation of terrorists acts or in supporting terrorist acts directly; or*
- (c) *Engages in a violent act or insurrection against Bhutan that is designed primarily to generate fear in a community or a substantial section of the society’*

Under Section 333, the provision (f) had been deleted.

Under Chapter 23, Section 339 and 341, the phrase, ‘soldier of the Royal Bhutan Army’ had been amended as ‘...soldier of the *Royal Bhutan Armed Force*’ (in the Dzongkha version of the Penal Code). Likewise, provision under section 343, was amended as ‘...if the defendant was not in the *Royal Bhutan Armed Force* but wore a garb of the *armed forces*...other attire similar to that of the *armed force*...’ (Dzongkha version of the Penal Code)

Under chapter 24, Section 357 and 358, the phrase, ‘gift’ was changed as, ‘*giving away free of cost*’ and the phrase under section 358, ‘a felony of the fourth degree’ was amended as, ‘a felony of *third degree*’.

Under Chapter 26, Section 377, ‘prostitution’ was amended as, ‘*engaging in prostitution...*’ (Dzongkha version of the Penal Code)

Under Chapter 27, Section 392, the phrase, ‘alcoholic beverage...on prohibited days’ was amended as, ‘alcoholic beverage...on prohibited days *or at prohibited areas*’

Under Chapter 33, Section 492, the phrase, ‘...deals in the sale of...’ was amended as, ‘...deals in the sale *and export* of...’

Under Chapter 33, Section 501, the phrase, ‘a felony of the fourth degree’ was amended as, ‘a felony of *third degree*’

During the deliberation on the endorsement of the Penal Code, it was resolved that the Judiciary should review the provision under Chapter 11, Section 146, on the illegal abortion considering the present and future benefits and submit a proposal on its requirement in the next session of the Assembly. As submitted by the Minister for Information and Communication and the Deputy Minister for National Environment Commission on the need to add some provisions related to communication and environment in the Penal Code, the respective Ministry and Commission in consultation with the Judiciary should submit the additional clause in the 83<sup>rd</sup> Session of the National Assembly. The Bhutan Penal Code, 2004, was endorsed on 11 August, 2004.

6. Ratification of the Agreement with the USA on Immunity from Surrender of Nationals to the International Criminal Court

At the outset of the deliberation, the Minister for Foreign Affairs presented the background on the ratification of the agreement with

the USA on Immunity from Surrender of National to the International Criminal Court. The Minister said that about 120 UN Member countries outlined the Rome Statute in July 1998 in Rome. The statute reaffirmed the importance of bringing to justice those who committed genocide, crimes against humanity and war crimes. The United Nations Diplomatic Conference of Plenipotentiaries had decided on the establishment of an International Criminal Court to verify and charge sheet the criminals as per the Acts.

After the US Government signed the Agreement, the US Government did not recognise the Agreement as the International Criminal Court would complicate the lives of the Americans. Moreover, it was being talked with several countries that the Criminal Court would cause inconvenience. Having such International Criminal Court would support the people provided that different Agreements were formulated between the countries that were not in contravention to the provisions of this Agreement. Therefore, the US Government had signed the Agreement with 28 countries including four south Asian countries.

After the talks between the US and Bhutan, the Permanent Representative of the Royal Government to the UNO, New York, representing the Royal Government, had signed the Agreement between the two Parties in Washington D.C. on 2 May 2003 following the decision of the 233<sup>rd</sup> Lhengye Zhungtshog. However, the approval of the respective Parliament was required for its implementation. As the other Parliaments had already ratified the Agreement, it was asked whether it would be ratified for Bhutan. Therefore, the ratification of the Agreement by the National

Assembly would not only benefit the country but also the people could be safeguarded and supported.

According to the Agreement, if a person committed treason, the case would be tried as per the laws of the respective country and not in accordance with the laws of other countries. The country would be immensely benefited and the relationship between the two countries would also be strengthened. Therefore, the National Assembly should ratify the Agreement considering the interest of the country and the people.

Some of the people's representatives said that the ratification of the Agreement would strengthen the relationship between the two countries benefiting the people. Therefore, it was imperative that the Agreement was ratified.

As there was no objection by the Assembly, the National Assembly ratified the Agreement with the USA on Immunity from Surrender of Nationals to the International Criminal Court on 12 August, 2004.

#### 7. Ratification of the WHO Framework Convention on Tobacco Control

At the outset of the deliberation, the Minister for Health briefed the House on the background, objectives, expectation and the provisions of the WHO Framework Convention on Tobacco Control. The manufacturing and use of tobacco was increasing at an alarming rate in the world and particularly in the least developed countries. Moreover, the problem caused by the rise in tobacco epidemic to the community, public, poor people, families and the health programme

in different countries had been recognised as a worldwide concern. To challenge and overcome the problem, the conference on tobacco control was held from the 49<sup>th</sup> WHO Conference since 1995. The Framework Convention was ratified by all the member countries during the 56<sup>th</sup> WHO Conference on 21 May, 2003.

The main objective of the Convention was to control the tobacco epidemic. Out of 5 million people dying due to tobacco related epidemic, more than one million people were from south Asia. The objectives included reduction of mortality of child, mother and youth, protection of social health, environmental and economic consequences of tobacco consumption and to provide a framework for tobacco control to be implemented by the Parties at the national, regional and international levels, reducing the continued and substantial prevalence of tobacco use and exposure to smoking.

It was hoped that the Convention would control the use of tobacco for the protection of social health. It was also hoped that the use of tobacco would be controlled to eradicate the diseases relating to tobacco through bilateral relations with the neighbouring countries based on the cultural, socio-economic development, policies and laws of the respective countries.

After 90 days from the endorsement of the Framework Convention on Tobacco Control by the 40 Parties, all the Parties would implement as per the provisions of the Convention. Out of 168 signatories, 25 countries had finalised their membership to the Convention. As a member of the WHO, Bhutan became a signatory to the Convention on 9 December 2003. With the economic development in the country, the consumption of tobacco by the

people and youths had increased. Therefore, recognising the hazards on public health, the Royal Government had established programmes to control the use of tobacco in the country.

As tobacco should not be allowed in a religious country both from the religious and the ordinary ways of life, the religious and the general public had supported on the control of tobacco. Therefore, the sale of tobacco products had been banned in 18 Dzongkhags and the duty free shops in the country. Moreover, the use of tobacco was banned in the public transport services and smoke free zones.

The interest and efforts shown by the government and the people on the control of tobacco had generated substantive results. Therefore, the WHO had awarded a gold medal to Lyonpo Sangay Ngedup, the then Minister for Health and Education. The WHO had also awarded medals and certificates of recognition to four Dzongkhags and two Departments.

The Convention would help Bhutan achieve its objective on the total eradication of the tobacco epidemic for the present and future health of the people. Moreover, Bhutan would be included among the tobacco free country in the world. Likewise, it would also help in eradicating the tobacco epidemic in the Buddhist Kingdom, enhancing the economic development and the people could live in peace and prosperity. Therefore, the 82<sup>nd</sup> session of the National Assembly should recognise the importance of this Framework Convention.

Some of the members submitted that tobacco was contrary to Dharma besides harming and shortening the human lives. Despite

programmes in place to levy the penalties to control the use of tobacco, it could not be controlled. However, it was imperative for the member countries to reduce the tobacco consumption collectively. Some of the members said that the shopkeepers of the 18 Dzongkhags had guaranteed to discontinue the sale of tobacco, which was also resolved in the respective DYT's. However, as two Dzongkhags had not banned the tobacco, the people of other Dzongkhags had argued on the effectiveness of tobacco control. If tobacco control measures were prioritised in Thimphu, other Dzongkhags would not face the inconvenience.

Some of the members said that the use of tobacco was unacceptable both from religious and social health in the sacred land blessed by Guru Rinpoche. Therefore, according to the provision on the felony of crime related to tobacco in the Penal Code, it was imperative for the members to understand about the auctioning of the confiscated tobacco products. When the prohibited items were permitted for sale, it would cause inconvenience in the country. The National Assembly should support the decision of the respective DYT's on the ban of tobacco in the 18 Dzongkhags. The people and officials of the two Dzongkhags should strive towards banning the use of tobacco in their respective Dzongkhags for the benefit of the country.

The Yangbi Lupon said that the concept of tobacco control did not originate today, but had been prevailing since the time of Buddha. Even Guru Rinpoche had preached about the present and future effects of tobacco consumption. The establishment of religion and health projects by the health sector would help in controlling the tobacco consumption. Moreover, the religious community continued to instruct the people on the effect of tobacco from the religious



point of view. Tobacco not only caused harm to both religion and health, but also caused family problems. Therefore, the people and students were constantly taught and advised to abandon the unwholesome deeds during the Dharma teachings. If they would implement through motivational attitude by correlating the inner mind and not the outside appearance, the outside behaviour would be changed. Therefore, the religious community, health and the people should reflect profoundly and strive to ban tobacco.

The Finance Minister said that the Royal Government had imposed 10 percent sales tax on tobacco before 1998 and 50 percent after 1998 to control the use of tobacco. However, the ban could not be imposed as the people, considering the profits, engaged in black marketing with the availability of tobacco products at cheaper rates outside the border. When people imported tobacco through black marketing, sales tax of 50 percent and penalty of 50 percent, amounting to 100 percent was imposed. After surrendering the confiscated tobacco products to the government, the Department concerned auctioned the products in the unrestricted areas while the products were burnt in the prohibited places. When the confiscated tobacco products were burnt in Phuentsholing, it was causing health hazard due to air pollution. Therefore, the confiscated tobacco products were auctioned in Thimphu.

The Minister for Trade and Industry said that among the different ways of banning tobacco products in the world, taxation on this harmful product was one of them. Likewise, it was not known whether the levying of 100 percent tax on alcohol and tobacco in the country would control their consumption and there were no legislation to stop the import of tobacco. Therefore, the Ministry of

Trade and Industry had no policy to stop the import of tobacco and levying of 100 percent sales tax on tobacco products was acceptable.

The National Assembly noted that as the world was devastated with tobacco epidemic, plans to control tobacco consumption had been introduced. Moreover, about 40 countries had signed the Convention to eradicate tobacco products. Bhutan was not only a member of the WHO, but also a Buddhist country. Therefore, the National Assembly resolved that like the banning of tobacco in 18 Dzongkhags, tobacco would be banned in the remaining two Dzongkhags. It was also resolved that the Ministry of Trade and Industry should levy 100 percent sales tax and not 50 percent on tobacco products. The National Assembly ratified the WHO Framework Convention on Tobacco Control on 12 August 2004.

8. Ratification of the Additional Protocol to the SAARC Convention on the Suppression of Terrorism

At the outset, the Minister for Foreign Affairs presented a brief background on the ratification of the Additional Protocol to the SAARC Convention on the Suppression of Terrorism to the National Assembly. The Minister said that with the rise in terrorist activities each year, the main issue during the 3<sup>rd</sup> SAARC Summit held at Kathmandu in November 1987 was the suppression of terrorism. After the Heads of the State and Government signed the Protocol, the National Assembly had ratified the Protocol in 1991 and came into effect in the same year. However, after few years, the terrorist activities in the region had increased causing inconvenience and problems. Therefore, from 1999, the Heads of the State and

Government and the Ministers of the region had agreed to hold talks on this issue.

Considering the present situation, it was important to find measures to suppress the rise in terrorism. It was recognised by the Foreign Ministers to frame additional Protocol to the Convention during the SAARC Summit held at Islamabad, Pakistan, in January 2004. Since Bhutan also aimed in suppressing such activities in the country and the entire world, the National Assembly should support in ratifying the additional Protocol.

As there were no further views and comments on the Protocol, the National Assembly ratified the Additional Protocol to the SAARC Convention on the Suppression of Terrorism on 12 August, 2004.

#### 9. Accession to the Berne Convention for the Protection of Literary and Artistic Work

When the National Assembly deliberated on the accession to the Berne Convention for the Protection of Literary and Artistic Work, the Minister for Trade and Industry said that the establishment of World Intellectual Property Organisation (WIPO) was protecting the intellectual works in the world. As the Berne Convention was established to protect the literary and artistic works, Bhutan had joined as a Party by considering the present and future benefits.

Though laws would be made in any country of the world to protect artistic works like music composition and cinematographic works, there was no law to protect the copyright of a country from another

country. Therefore, the European countries established the Convention at Berne, Switzerland, in 1886.

The main objective of the Convention was to support the Parties and other countries in protecting the literary and artistic works. As the potential of literary and artistic works was increasing yearly along with the development in the country, it was imperative to be a Party to protect the intellectual property in the future. Therefore, the National Assembly should consider ratifying the Convention.

Since there were no objections, the National Assembly ratified the Accession to the Berne Convention for the Protection of Literary and Artistic Work on 12 August, 2004.

#### 10. Ratification of the Vienna Convention for the Protection of Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer

The Deputy Minister for the National Environment Commission made a presentation on the origin, objectives, advantages and disadvantages on the ratification of the Vienna Convention for the Protection of Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer. The protection of ozone layer was important as the depletion of the ozone layer would cause cancer and cataracts due to harmful ultraviolet radiation from the sun. Moreover, the agriculture productivity, human lives, environment and marine life would also be harmed. The Vienna Convention and the Montreal Protocol originated in response to the concern over the development of holes in the ozone layer. It was called Vienna Convention as the Conference on the Convention was held at

Vienna, the capital city of Austria. The Vienna Convention was adopted in 1985 and came into force in 1988. There were 187 countries who were Parties to the Vienna Convention.

The Montreal Protocol was adopted in 1987 and came into force in 1989. Out of the total UN Member countries, only Iraq, Eritrea, East Timor and Bhutan were non Parties to the Protocol. Therefore, it was natural for Bhutan to ratify the protocol. The main objective of the Convention and the Protocol was to protect human health and environment against the adverse effects resulting from the changes in the ozone layer. Moreover, the main aim was to reduce the use of ozone depleting substances and finally phasing out their use. To realise the objectives, the use of CFCs, one of the ozone depleting substances, was scheduled to be phased out by 2010, methyl bromide by 2015 and HCFs by 2040. Therefore, the experts were hoping that the ozone layer would be recovered with the phasing out of these substances.

The Montreal Protocol was amended four times. The London Amendment of 1990 instituted the financial assistance to the poor countries by the developed countries to enable the least developed countries to comply with the implementation of the Protocol. The Copenhagen Amendment of 1992 included HCFCs, HBFCs and methyl bromide in the list of controlled substances. The Montreal Amendment provided establishment of licensing systems for import and export of ozone depleting substances. The 1999 Amendment introduced a trade ban in import and export of HCFCs by the non-Party countries. However, among the Conventions, the Vienna Convention was an important and objective fulfilling Convention. Therefore, the accession to the Convention had environment related

benefits and the opportunity of availing financial assistance for the protection of ozone layer.

As a non-Party, the trade in HCFCs, HFCs and halons and import and export of ozone depleting substances like CFCs and HCFCs with the member countries were not allowed. Furthermore, trade of ozone depleting substances with other countries would be illegal and banned. As Bhutan was situated on high altitude, the risk of skin cancer and cataracts was high. The productivity of food crops would be harmed and Bhutan's credibility in the world for its pristine environment would also be at stake. Therefore, it was necessary to ban the controlled substances and equipments as per the programme and submit a report to this effect.

Under the grace of His Majesty the King, Bhutan's pristine environment had become an exemplary to the world. Likewise, in case Bhutan did not become a Party to the Convention and the Protocol, lots of inconvenience would arise in the future. Therefore, the National Assembly should ratify the Convention and the Protocol.

Supporting the deliberation, the Bumthang Chimi said that under the far-sighted leadership of His Majesty the King, Bhutan's pristine environment had become a leading example to the world. Therefore, ratification of the Convention and Protocol was necessary for Bhutan. As the Convention and Protocol would help conserve the environment, it would have immense benefit to human lives, properties, scientific related developments and other progress. Therefore, it would be better if an annual report on the benefits and

detriments of the scientific equipments on the environment would be submitted in the Assembly.

As there were no other comments on the ratification, the National Assembly considering the long term benefits ratified the Vienna Convention for the Protection of Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer on 12 August, 2004.

## XVII. EXPRESSION OF APPRECIATION

### 1. Removing the Indian Insurgents from Bhutanese Soil

The people of 20 Dzongkhags and the Bhutan Chamber for Commerce and Industry (BCCI) expressed their deep gratitude to His Majesty the King for resolving the militants' problem in the country. The Chimis submitted that the Indian militants were given the option to leave our country peacefully in the interest of the cordial relations between India and Bhutan. Having exhausted all peaceful means to resolve the problem despite several rounds of talks with the militants as per the decisions of the National Assembly from the 76<sup>th</sup> to the 81<sup>st</sup>, His Majesty the King considering the present and future well being of the country led the three armed forces against the militants risking his own life on December 15, 2003. The military operation was carried out with minimum casualties on both sides. The militants were successfully removed from our country letting the flag of Palden Drukpa fly high for all times to come.

The members also expressed their deep appreciation to the three armed forces and the militia volunteers for their selfless and gallant service in safeguarding the security and sovereignty of the country. The people also paid tribute to the soldiers who had sacrificed their lives for the country and offered their deep condolences to the bereaved families.

The people also expressed their profound gratitude to His Holiness the Je Khenpo and the Dratshang for performing the *Tenchi Kurims* and continued offerings to the Guardian Deities of Palden Drukpa for ensuring the success of the military operation, and for the peace, prosperity and well-being of the country.

The Royal Government and the people expressed their deep gratitude to the Crown Prince His Royal Highness Dasho Jigme Khesar Namgyal Wangchuck for running the Government smoothly and peacefully at a time of security threat to the country providing support and confidence to the people and handling other matters of security concerns when His Majesty was personally leading the military operation.

The Yangbi Lupon and the people expressed their profound gratitude and appreciation to Her Majesty Ashi Dorji Wangmo Wangchuck for the construction of the Druk Wangyal Khangzang Chorten at Dochula for the benefit of all sentient beings in the present and future life.

The Brigadier of the Royal Bhutan Army informed the House that as per the resolution of the 81<sup>st</sup> session, all the 30 camps of the militants had been completely destroyed. The militants apprehended



by our security forces were handed over to the Indian military along with their arms, ammunitions and documents. The militants were removed within a short period of time with minimum casualties under the wise and dynamic leadership of His Majesty the King. The successful military operation with minimum casualties was also due to the continued Kurims performed by His Holiness the Je Khenpo and the Zhung Dratshang during the military operation and the protective powers of the Guardian Deities of Pelden Drukpa.

The Brigadier on behalf of the Royal Bhutan Armed Forces also extended his deep gratitude and appreciation to the Government of India and the Indian Army for their strong support during the military operation to remove the militants from our soil. Adequate provisions had been made by the Indian military to immediately evacuate the wounded soldiers by helicopters. In order to protect the security and sovereignty of our country, the armed forces pledged their continued support and loyalty to His Majesty the King.

The Thimphu Dzongdag said that although the people of Assam and West Bengal had always been good friends of the Bhutanese people, military action had to be carried out to remove the militants from our soil after all peaceful means were exhausted to make them leave our country. Under the dynamic leadership of His Majesty the King, the three armed forces and the militia volunteers not only served the country with utmost loyalty and dedication but the Bhutanese people continued to offer their prayers to *Kenchosum* and conducted the Kurims for the success of the operation. The military operation successfully ended with minimum casualties on both the sides. The Dzongdags, Drangpons, Dzongthrim and the civil servants of 20 Dzongkhags expressed their profound gratitude to His Majesty the

King. While the operation did not hamper the activities of the 9<sup>th</sup> paln, the Dzongdags would strive relentlessly to achieve His Majesty's farsighted vision.

The people of Tashiyangtse Dzongkhag expressed their deep appreciation to His Holiness the Je Khenpo for introducing the annual Moenlam Chhenmo at Chorten Kora under the patronage of the Choethuen Tshogpa in 2003 and consecrating the ancient Rigsum Goenpa, established in the early 18<sup>th</sup> century for the well being and security of the country. The annual prayer ceremony would promote the Buddha Dharma for the peace in the world.

Floods have damaged houses, agricultural land and other sources of income for the people in the eastern Dzongkhags due to heavy rainfall. The people expressed their deep gratitude and appreciation to His Majesty the King for deputing His representative to review and assess the loss of lives and property in the eastern region. The team headed by the Minister for Agriculture visited the affected areas with least consideration to the difficulties and risk involved. While expressing their appreciation to the Agriculture Minister, the people also expressed their gratitude to the Prime Minister, the Council of Ministers and the Ministry of Works and Human Settlement for immediately restoring the highways and feeder roads and the reconstruction of damaged bridges.

The Minister for Trade and Industry said that while some of the leaders in the world were striving to gain power without considering the welfare of the people and the country, His Majesty the King placing the welfare of the people and the security of the country before his personal safety had selflessly led the Bhutanese armed

forces and successfully removed the militants from our soil within a short span of time. The Minister for Trade and Industry on behalf of the Government expressed profound gratitude to His Majesty the King for restoring peace and security in the country. The members should not only express their gratitude in words but also show in deeds by implementing the decentralised responsibilities with full dedication. It was important that the Geog Yargay Tshogchung, Dzongkhag Yargay Tshogdu, the Lhengye Zhungtshog and the National Assembly should work in close collaboration towards fulfilling the aspirations of His Majesty the King.

Joining the expression of appreciation to the His Majesty the King, the Yangbi Lupon said that the miraculous subjugation of the potential source of harm to the interest of the Kingdom's *Tensi* and ensuring of the present peace and sovereignty of the nation as well as its future security was owed, in general, to the blessings of the Triple Gem, the protective powers of the Guardian Deities and the merits of our Kings, Ministers and the people and, in particular, to the boundless blessings of the *Awaloketeswara* in the person of our beloved King with the support of the dedicated *Drakha Sum*. For this great deed of accomplishment, the monastic body expressed their deep gratitude and appreciation to His Majesty the King and vowed to continue doing so for all times to come. The Dratshang also offered prayers in memory of our soldiers who had laid down their lives and also the militants who lost their lives in the operation.

The Yangbi Lupon reminded the members that instead of heavily depending on His Majesty the King in ensuring the sovereignty and security of the country, it was the sacred responsibility of all the

Bhutanese people to shoulder the enormous responsibility of ensuring the sovereignty and security of our beloved country.

Similarly, the Yangbi Lupon also expressed profound gratitude for the exalted act of His Majesty the King for abolishing capital punishment in the Kingdom which was a true act of a Bodhisattva.

## 2. Decentralization of power to the people

The people of Haa Dzongkhag expressed their gratitude to His Majesty the King for empowering the people through the decentralization policy and the revision of the DYT and the GYT Chathrims which had further strengthened the policy enabling the people to participate directly in the decision making process of the country.

## 3. Waiving of rural taxes

The people of Trashigang, Wangdue Phodrang, Tsirang, Zhemgang, Thimphu and Trongsa expressed their deep appreciation to His Majesty the King and the Royal Government for waiving off the rural taxes for the year 2004.

Joining the expression of appreciation to His Majesty the King and the Royal Government, the people of Zhemgang and Chukha Dzongkhag said that the construction of Gomphu-Panbang motor road during the Ninth-Five Year Plan and for the plan to widen and shorten the Thimphu-Phuentsholing Highway would enhance the socio- economic development of the country.

#### 4. Government of India

The people of Punakha Dzongkhag expressed their gratitude to the government of India for financing the five-year plans of our country and for providing security for the Bhutanese vehicles plying through the states of Assam and West Bengal.

The National Assembly offered prayers and Moenlam for the long life of His Majesty the King and wished the National Flag, the symbol of our sovereignty and independence always fly high and the King, Ministers and the Bhutanese people continue to enjoy peace and prosperity for all times to come. The submission on Expression of Appreciation concluded on August 13, 2004.

#### XVIII. ELECTION OF THE DEPUTY SPEAKER, AND THE LEGISLATIVE AND PUBLIC ACCOUNTS COMMITTEE MEMBERS

The Assembly enacted the Speakers Act of the National Assembly of Bhutan, 2004 on August 6, 2004. According to the Act, a Deputy Speaker was required to be elected. There were nine candidates contesting for the post of the Deputy Speaker from among the elected members of the National Assembly. After the House met on August 16, 2004, the Secretary to the National Assembly read out the rules of procedures for the election of the Deputy Speaker through secret ballot. Out of a total of 150 members, 9 were candidates contesting in the election while 6 members were absent. The total members present and voting were 135. The representative of the Bhutan Chamber of Commerce and Industry securing 31 votes was declared elected as the Deputy Speaker. The Speaker congratulated Mr. Zhamling Dorji, the BCCI Chimi, for being elected as the Deputy Speaker.

### Election of the Legislative Committee Members

The National Assembly passed the National Assembly Committee Act of Bhutan 2004, on July 30, 2004. According to the Act, five new committee members were to be elected from amongst the elected members of the Assembly. 12 members contested in the election. On August 16, 2004, voting through secret ballot was conducted after the rules of procedures for the election was read out to the Assembly by the Secretary to the National Assembly. Out of a total member of 150, 132 members excluding 12 contestants and 6 absentees participated in the voting through secret ballot. Namgay Phuntsho, Punakha Chimi with 26 votes, Jampel, Bumthang Chimi with 16 votes, Pema Dorji, Mongar Chimi with 16 votes, Yoenten Thinley, Samdrupjongkhar Chimi with 15 votes were elected as Legislative Committee members in the first round while Lobzang Tshering, Tashi Yangtse Chimi was elected as member in the second-round voting securing 78 votes. The five Chimis were elected as the members of the Legislative Committee of the National Assembly.

### Election of the Public Accounts Committee Members

The National Assembly passed the National Assembly Committee Act of Bhutan, 2004 on July 30, 2004. According to the Act, five Public Accounts Committee members were to be elected from amongst the elected members of the Assembly. 10 members from the elected representative of the National Assembly contested for the public accounts committee conducted through secret ballot. From the total number of 150 members, 134 members participated in the voting excluding the 10 members contesting for the election and 6 absentees. During the election, Dorji Wangchuk, Bumthang Chimi securing 34

votes, Nawang Jamyang Dorji, Monger Chimi with 20 votes, Wangdue, Paro Chimi with 18 votes, Sangay Khandu, Samtse Chimi with 17 votes and Sigyal, Wangdue Chimi with 13 votes were elected as the members of the Public Accounts Committee for a term of one year. The Speaker, on behalf of the National Assembly, congratulated the 10 newly elected members of the Legislative and Public Accounts Committee. The election of the members to the Legislative and the Public Accounts Committee concluded on August 16, 2004.

#### XIX. DISTRIBUTION OF DOCUMENTS

1. The National Budget for the Financial Year 2004-2005 and the Report on the 2003-2004 Budget
2. The National Assembly Committees Act of the Kingdom of Bhutan, 2004
3. The Tenancy Act of the Kingdom of Bhutan, Wood Monkey Year, 2004
4. The Draft Road Act of the Kingdom of Bhutan, 2004
5. The Speaker's Act of the National Assembly of Bhutan, 2004
6. The Bhutan Penal Code, 2004
7. Ratification of the Agreement with the USA on Immunity from Surrender of Nationals to the International Criminal Court

8. Ratification of the WHO Framework Convention on Tobacco Control
9. Ratification of the Additional Protocol to the SAARC Convention on the Suppression of Terrorism
10. Accession to the Berne Convention for the Protection of Literary and Artistic work
11. Ratification of the Vienna Convention for the Protection of Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer

## XX. CONCLUDING CEREMONY

The 82<sup>nd</sup> session of the National Assembly commenced with effect from 11<sup>th</sup> Day of the 5<sup>th</sup> Month of the Wood Monkey Year. The Speaker welcomed His Majesty the King, honourable members, dignitaries and observers to the auspicious concluding ceremony of the 82<sup>nd</sup> session of the National Assembly.

The ability to hold very comprehensive deliberations and come out with fruitful resolutions had been the result of the wise and far-sighted leadership of His Majesty the King, and the open and frank discussions engaged in by the honourable members of the National Assembly. The Speaker expressed his gratitude to His Majesty the King and the honourable members of the National Assembly for the successful conclusion of the 82<sup>nd</sup> Session.



At the commencement of the Session, the Prime Minister had presented the annual report on the activities and achievements of the Royal Government, and the annual budget report by the Finance Minister. The report highlighted that the Dratshang, Shedra and Choedeys were the fountain of Buddha Dharma and the national identity Driglam Choesum was being developed and preserved under the dynamic leadership of His Majesty the King and significant achievements in infrastructure like education, agriculture, animal husbandry, roads, electricity and private sector development programmes necessary for the socio-economic development. The good governance and enhancing foreign relations were all indicative of achieving His Majesty's vision of Gross National Happiness within a short period of time. On behalf of the National Assembly, the Speaker expressed profound gratitude to His Majesty the King.

The Speaker said that the resolutions adopted in the house must be carried out in complete harmony of spirit and actions. It was important for the members to explain the resolutions of the National Assembly very clearly without delay to the people and a report submitted to the Assembly Secretariat as soon as possible. The Speaker reminded the Chimis that they were the bridges between the Government and the people and it was extremely important to enhance the unity strengthening the national sovereignty. It was hoped that the ministries and departments, private agencies and the community leaders would implement the resolutions of the 82<sup>nd</sup> Session to further promote the welfare of the people and enhance socio-economic development in the country. Moreover, the ministries must recognize the issues to be submitted by the people in the 83<sup>rd</sup> Session and submit fruitful report thereof.

The Speaker expressed his satisfaction to the Royal Advisory Councillors and the National Assembly Members who would be retiring on expiry of their term for serving the people and the government. Since they were experienced and aware of the government policies and the problems of the people, it was hoped that they would extend their cooperation and support to serve the people and the government on behalf of the legislature.

It was crucial for the new Councillors who would be taking up office to examine the implementation of the resolutions and Acts adopted by the National Assembly by the government and the people as per Chapter 4 of the Royal Advisory Council Chathrim. The King loved His subjects and while the subjects aspired for peace, the foundation of peace was the laws of the land and as of today 91 Chathrim and about 14 international conventions had been endorsed by the National Assembly for the benefit of the country and the people.

The Speaker on behalf of the National Assembly and on his own behalf expressed deep gratitude to His Majesty the King for visiting the risky areas and removing the militants with minimum casualties within a short period of time.

Likewise, the National Assembly expressed appreciation to His Holiness the Je Khenpo and the Dratshang for continuously performing Kurims for the welfare of the people and the government when the country was undergoing through difficult times. The House also expressed appreciation to the three armed forces for their dedicated and gallant services and expressed condolence to the families of those soldiers who lost their lives for the country.

The Speaker stressed that more than the expression of appreciation in words to His Majesty the King by the government and the people, it was more important to be consistent with the actions.

The National Assembly expressed deep gratitude to Her Majesty Ashi Dorji Wangmo Wangchuck for constructing unprecedented symbol of sovereignty of Bhutan, Druk Wangyel Khangzang Chorten consisting of 108 stupas at Dochula in gratitude of the hardship endured by His Majesty in the risky areas and in memory of those soldiers who lost their lives during the military operation. The National Assembly also expressed appreciation to His Royal Highness the Crown Prince Dasho Jigme Khesar Namgyel Wangchuck for his endeavours to protect the people and the country while the nation was going through difficult times.

The National Assembly expressed appreciation to the Lhengye Zhungtshog for running the government even more firmly during times of security problem in the country and the government of India for their assistance during the flush out operation.

It was imperative to strengthen the security before the joint verification process of people in the camps in Nepal could continue in accordance with the policy of the Royal Government, the resolutions of the National Assembly and the Bhutanese Citizenship Act of the Kingdom of Bhutan in close cooperation and understanding between the two sides.

As resolved by the National Assembly, the House would convene twice a year with effect from the 83<sup>rd</sup> Session. In order to save time, it was important to submit agendas pertaining to national issues and security. The degree of checks and balance that emerged during the deliberation

was indicative of the enhancement of the members' capability and maturity. It was hoped that the concerns of the members would greatly benefit the country and the people.

As prescribed in the Speaker's Act endorsed in the current Session, the Deputy Speaker and the legislative and public accounts committee members were elected. Out of 9 candidates contesting for the post of the Deputy Speaker, Mr. Zhamling Dorji, representative of the Bhutan Chamber of Commerce and Industry was elected as the Deputy Speaker. Similarly, the members of the legislative committee and the public accounts committee were also elected. The Speaker while congratulating them reminded that they must shoulder their responsibilities with utmost dedication in the interest of the country and the people during their tenure.

Bhutan was a unique and sacred Buddhist nation blessed by Guru Rinpoche, the second Buddha and many other religious personalities reigned through dual system by the benevolent monarchs. With the blessing of the *Kenchosum*, powers of the Guardian Deities and the dynamic leadership of His Majesty the King, all the people had been living in peace and prosperity.

On the auspicious occasion of the conclusion of the 82<sup>nd</sup> session of the National Assembly, all the representatives of the Dratshang, government and the people pledged their dedication and loyalty to the Tsa-Wa-Sum and prayed for His Majesty's long life and fulfilment of the noble vision of Gross National Happiness and the peace and prosperity of the people.

The National Assembly offered prayers for the present and future well-being of the people to be like the waxing moon and hoped that the

unparalleled sovereignty of the country would flourish to posterity. The 82<sup>nd</sup> session of the National Assembly concluded on the 1<sup>st</sup> Day of the 7<sup>th</sup> Month of the Wood Monkey Year with fervent hope for a happy union in front of the golden throne in the next session

August 17, 2004

sd/-

(Ugen Dorje)

**Speaker**

National Assembly of Bhutan

## ANNEXURE

**English translation of the speech by the honourable Speaker, Dasho Ugen Dorje, at the 82<sup>nd</sup> Session of the National Assembly of Bhutan on the 11<sup>th</sup> Day of the 5<sup>th</sup> Month of the Wood Monkey Year, corresponding to 28 June 2004**

1. Your Majesty, Prime Minister and Members of the Lhengye Zhungtshog, representatives of the Dratshang, the Government, and the People, and distinguished guests. On behalf of the National Assembly, I would like to welcome you to the inaugural ceremony of the 82<sup>nd</sup> Session of the National Assembly.
2. I would like to extend my warm and hearty Tashi Delek to the four newly elected representatives of the Zhung Dratshang and Rabdeys, eight new government representatives, and 18 new Chimis as well as the re-elected Chimis to the National Assembly who face challenging responsibilities.
3. The term of office of the incumbent Councillors will be completed in October this year. I, on behalf of the National Assembly, would like to congratulate the candidates who have won the nominations of the people for the Royal Advisory Council from your Dzongkhags.
4. I would like to inform the Honourable Members of the National Assembly that I had led a five-member delegation of the National Assembly of Bhutan to attend the Fourth General Assembly of Association of Asian Parliaments for Peace (AAPP) in Manila, Republic of Philippines, from September 1-4, 2004. To mark the auspicious occasion of the 30<sup>th</sup> Coronation Anniversary of Our Beloved King, the

National Assembly of Bhutan produced a 30-minute documentary film entitled, 'Tshogdu-the People's Assembly' and published the 'Tshogdu News', a newsletter of the National Assembly Secretariat, as a gesture of our continued commitment, respect and gratitude to the hereditary Monarchs of the Kingdom of Bhutan.

5. All of us are aware that, since the inception of planned development in 1961, our country has achieved unprecedented socio-economic progress as well as spiritual and cultural development.
6. It is unique to Bhutan that the policy of decentralised governance, economic advancement and political reformation have all emanated from the Golden Throne. The Bhutanese people have been inspired by such historic initiatives and our political awareness has greatly matured.
7. While His Majesty the fourth Druk Gyalpo has led us to phenomenal socio-economic development and ensured our peace and prosperity as well as stable international relations, our small peace-loving nation faced a very serious threat from the illegal presence of the ULFA, NDFB and KLO insurgents from the neighbouring Indian states of Assam and West Bengal.
8. The past sessions of the National Assembly had repeatedly discussed the issue in an attempt to find a peaceful solution to the problem, which was posing a grave threat to the sovereignty and security of the nation. The 81<sup>st</sup> Session of the National Assembly resolved that, if the peaceful measures adopted by the Royal Government failed, Bhutan had no choice but to resort to military action to remove the militants. Therefore, with all options exhausted, the Royal Bhutan Armed Forces removed the militants from the Bhutanese soil in a very short period with minimum

casualties. The 22<sup>nd</sup> Day of the 10<sup>th</sup> Month of the Water Sheep Year, corresponding to 15 December 2003, was a historic day of victory that ensured the sovereignty of the country and the well-being of the Bhutanese people. All the militant camps were destroyed and the militants removed from the country, thereby restoring peace and normalcy in the country and allowing the Druk national flag to fly high.

9. His Majesty the King has ensured continued sovereignty of the country. As His Royal Highness the Crown Prince, DASHO JIGME KHESAR NAMGYAL WANGCHUCK, announced during the 96<sup>th</sup> National Day celebrations on 17 December 2003, “there has never been such a King and never will there be one in the future”. An act of such significance and benevolence could never be reciprocated by the people.

However, I, on behalf of the National Assembly and on my own behalf, would like to express our gratitude and appreciation to His Holiness the Je Khenpo and Zhung Dratshang, Rabdeys, Gomdeys, Nunneries and Goendeys of the country for performing national kurims for the long life of His Majesty the King, the security of the nation, and the well-being of the people.

I also like to convey our appreciation to the security forces for their patriotic and selfless services to safeguard the sovereignty and security of the country. On behalf of the people of Bhutan, I would like to express our appreciation to the 11 valiant soldiers who sacrificed their lives to protect the peace and security of the Palden Drukpa. We would also like to express our sincere appreciation to the Government of India for its unfailing assistance during the military operations.



10. It is saddening to note that the people in the camps in Nepal physically assaulted and verbally abused the Bhutanese officials of the joint verification team, disrupting the process to jointly verify the people in the camps in Nepal. It is all the more imperative that the National Assembly deliberate this issue to find a lasting solution to the problem.
  
11. I would like to state that, while the Druk Gyalpo cares for his subjects, the people aspire for happiness, and the basis of happiness is law. If the laws were weak, the country can fall victim to injustices and nepotism. Therefore, to strengthen the rule of law, we have about 5 Bills and a few International Conventions submitted by various ministries, already reviewed by the Legislative Committee for endorsement during this Session of the National Assembly.
  
12. The Bills are distributed to the Members in advance with the objective to provide enough time to go through the drafts to facilitate thorough deliberations during the Assembly. We hope that the Members would deliberate and endorse the Bills after contemplating their immediate and future implications to the country.
  
13. I would like to remind the Honourable Members, before the election of the Royal Advisory Councillors, that as per the Kasho issued by His Majesty the King on the 3<sup>rd</sup> Day of the 2<sup>nd</sup> Month of the Wood Monkey Year, the institution of the Royal Advisory Council may be altered to establish the Upper House of the Assembly once the Constitution of the Kingdom of Bhutan is endorsed. In such a case, the existing Royal Advisory Council Chathrim would be repealed. Similarly, the newly elected Councillors would have to relinquish their posts notwithstanding their 3-year term in office. Meanwhile, I would like to urge all the

Honourable Members to extend their full cooperation for fair election of the six Royal Advisory Councillors.

14. Since the National Assembly is the highest legislative institution in the country, it is my earnest hope that the Honourable Members will engage in sincere, objective, and substantive deliberations on all issues, keeping in mind the present and future well-being of our people and the country.

15. As all the Honourable Members of the National Assembly are chosen with the trust and confidence of the Monastic Community, the Government and the people, I have every confidence that we will live up to their expectations. I hope that we will be able to charter important resolutions and, thereby, ensure the success of the 82<sup>nd</sup> Session of the National Assembly.

Tashi Delek!